REPORT RESUMES

ED 015 284 VT 003 801

THE IMPACT OF TECHNOLOGICAL CHANGE IN THE MEATPACKING
INDUSTRY. AUTOMATION PROGRAM REPORT, NUMBER 1.

BY- DICK, WILLIAM G.
NEBRASKA STATE EMPLOYMENT SERVICE, LINCOLN
BUREAU OF EMPLOYMENT SECURITY (DEPT. OF LABOR)

PUB DATE MAR 66
EDRS PRICE MF-$0.50 HC-$2.76 67P.

DESCRIPTORS- *UNEMPLOYED, *MEAT PACKING INDUSTRY, EMPLOYMENT EXPERIENCE, *JOB LAYOFF, INTERAGENCY COOPERATION, *EMPLOYMENT PROGRAMS, EMERGENCY PROGRAMS, UNEMPLOYMENT, AUTOMATION, PROGRAM DESCRIPTIONS, PROGRAM EFFECTIVENESS, INDIVIDUAL CHARACTERISTICS, EMPLOYMENT SERVICES,

TWENTY AUTOMATION MANPOWER SERVICES DEMONSTRATION PROJECTS WERE STARTED TO PROVIDE EXPERIENCE WITH JOB MARKET PROBLEMS CAUSED BY CHANGING TECHNOLOGY AND MASS LAYOFFS. THE FIRST OF THE SERIES, ESTABLISHED IN LOCAL PUBLIC EMPLOYMENT SERVICE OFFICES, THIS PROJECT DEALT WITH THE LAYOFF OF 675 WORKERS, PROBLEMS OF READJUSTMENT IN THE PLANT, THE INVOLVEMENT OF THE EMPLOYMENT SERVICE, AND COMMUNITY AGENCIES IN SOLVING PROBLEMS CAUSED BY THE LAYOFF, AND THE ORGANIZATION AND OPERATION OF THE PROJECT. THE EFFORTS OF THE PROJECT WERE PRIMARILY DIRECTED TO THE REEMPLOYMENT OF THE WORKERS. IT CONTACTED EMPLOYEES WELL AHEAD OF THE LAYOFF AND ADMINISTERED GROUP TESTS ON A VOLUNTARY BASIS. IT MADE JOB SURVEYS, ACTED AS A CLEARINGHOUSE FOR ALL INFORMATION CONCERNING THE WORKERS' STATUS, NEEDS, QUALIFICATIONS, AND JOB POSSIBILITIES, COUNSELED, AND MADE 1,160 REFERRALS RESULTING IN 317 PLACEMENTS. THE UNCERTAIN STATUS OF THE LAID-OFF WORKERS WAS THE MAIN DETERRENT TO THEIR REEMPLOYMENT. ANOTHER ADVERSE FACTOR WAS THE DIFFERENCE IN WAGE RATES THE WORKERS WERE ACCUSTOMED TO AND THOSE OF JOBS AVAILABLE TO THEM AFTER THE LAYOFF. EMPLOYERS WERE RELUCTANT TO HIRE LAID-OFF WORKERS LEST THEY QUIT AND RETURN TO THEIR ORIGINAL JOBS WHEN RECALLED. BESIDES DISPLACED WORKERS' UNWILLINGNESS TO FACE REALITY, THE MOST IMPORTANT SINGLE FACTOR INFLUENCING REEMPLOYMENT WAS INADEQUATE EDUCATION. RECOMMENDATIONS FOR IMPROVING PROJECT OPERATIONS WERE TO--(1) PROVIDE AN ORIENTATION CONTACT FOR EXPLAINING AND SELLING THE SERVICES OF THE EMPLOYMENT SERVICE AND THE TESTS, IN PARTICULAR, (2) USE A NONVERBAL TEST FOR THE FUNCTIONALLY ILLITERATE, (3) PROVIDE MORE ACCURATE AND OBJECTIVE STATISTICAL INFORMATION ON APPLICANT QUALIFICATIONS, (4) COORDINATE THE RESEARCH PHASE WITH THE EMPLOYMENT PHASE, (5) CLARIFY THE STATUS OF DISPLACED WORKERS, AND (6) PROVIDE ADEQUATE PROJECT FACILITIES AND PERSONNEL, AND EMPHASIZE EDUCATIONAL NEEDS, ESPECIALLY FOR ADULT EDUCATION OF A GENERAL NATURE. (MM)

ED015284

UNITED STATES EMPLOYMENT SERVICE

Automation Manpower Services
Program

Demonstration Project No. 1

AUTOMATION PROGRAM
REPORT NO. 1

U.S. DEPARTMENT OF LABOR
W. WILLARD WIRTZ, SECRETARY

MANPOWER ADMINISTRATION

BUREAU OF EMPLOYMENT SECURITY
Washington, D. C. 20210

VT003804

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY.

March, 1966

THE IMPACT OF TECHNOLOGICAL CHANG IN THE MEATPACKING INDUSTRY

DIVISION OF EMPLOYMENT
DEPARTMENT OF LABOR
STATE OF NEBRASKA

NEBRASKA STATE EMPLOYMENT SERVICE
affiliated with U. S. Employment Service

Frank B. Morrison
Governor

Lambert Eitel
Commissioner
of Labor

Mark A. Seamark
Director, Division
of Employment

Foreword

Twenty Automation Manpower Services demonstration projects were started in eleven States during 1961-63, to gain experience with job market problems arising from changing technology and mass layoffs. Additional studies were undertaken during 1964 and 1965. The projects are financed and guided by the United States Employment Service and conducted by affiliated State Employment Services.

These projects were designed in order to gather adequate data and information to enable us to fully explore:

1. **The re-employment problems encountered by workers displaced by automation and technological change.**

2. **The degree of success achieved by the special re-employment and manpower efforts made by the Employment Service in cooperation with other agencies.**

3. **The types of changes in jobs and occupations resulting from technological change.**

4. **The manpower policies and procedures proven and tested by our automation experiences which are applicable to basic Employment Service operations and to mass layoff cases.**

5. **Which services to affected workers promote occupational reorientation and minimize unemployment.**

Each project is tailored to the specific manpower problems presented by the particular case, whether it involves layoffs, in-plant work force adjustments, reduced hiring, or the need for all-out community action.

As each of the present and future projects reaches a point at which summarization of experience and findings is possible, reports will be prepared for this series of Automation Progam Reports, so that the project results may be disseminated throughout the public Employment Service system, and used to improve manpower planning and operations.

Frank H. Cassell, ***Director***
United States Employment Service

BUREAU OF EMPLOYMENT SECURITY, Robert C. Goodwin, ***Administrator***

Preface

The Cudahy Automation Demonstration Project was the first of twenty special projects established by the Automation Manpower Services of the United States Employment Service. One of the objectives of this program was to investigate the problem of the re-employment of workers idled in mass layoffs. Project Number One deals with the layoff of 675 employees at the Omaha plant of the Cudahy Packing Company. See Appendix I for list of projects.

A number of labor re-employment policy and procedural innovations were made when the Project was established. It is the purpose of this report to study the problems, examine the initiation of new approaches and procedures, and then to evaluate the effectiveness of the innovations introduced in the Project. Considerable data were gathered during the operation of the Project. It must be remembered, however, that the energies and efforts of the Project staff were primarily directed at the re-employment of the workers and not at the administration of a lengthy and involved research project. Therefore, not all questions which could be logically raised can be answered with clear, statistical and incontrovertible evidence.

This report covers the layoff of the workers, the problems of the readjustment in the plant, the involvement of the Employment Service and various community agencies in the solution of the problems occasioned by the layoff, and the organization and operation of the Project. It closes with some recommendations which became evident in the examination of the facts of this case.

Although the report is written primarily for Employment Service personnel it is hoped that it will serve in a somewhat broader sphere. It should be noted that the study was made by an outsider with but limited knowledge of the Employment Service and from a point of view not necessarily identical to that of the Employment Service. The economic and managerial references in the report cover only a portion of the aspects of the case which intrigued the author.

The involvement of the writer in the study of this case did not take place until well after the Project itself was completed. He is, therefore, very much indebted to the Project leader, Mrs. Yvonne Karbowski, and her staff for a fair understanding and an accurate description of the problems, the attitude of the workers, the procedures followed and the very climate in which the work was carried on. Dr. Lawrence A. Danton, University of Omaha, supervised the coding of the data for classification purposes. His narrative of the events as contained in his doctoral dissertation on this case was of great benefit. The general direction given by Mr. Edward Salner, Chief Manpower Utilization Services, United States Employment Service, and Mr. Don Warren, Employment Service Adviser, Bureau of Employment Security, Kansas City, Missouri, helped to enunciate the purposes and the policies of the Project and to direct it to the desired conclusion. Without the help of these persons and others in the Nebraska Division of Employment the report would not have been possible.

William G. Dick, Ph. D.

Associate Professor of Business
Organization and Management
College of Business Administration
University of Nebraska

TABLE OF CONTENTS

Page

Foreword i
Preface ii
Table of Contents iii
List of Tables v
List of Appendices vii

HIGHLIGHTS OF THE CUDAHY PROJECT 1

Chapter 1: BACKGROUND AND CHANGEOVER TO THE NEW PLANT 2
Technological Progress 2
Economics of the Meat Industry 3
The Cudahy Company 4
Involvement of Company, Union, Employment Service and Civic Organizations 4
Transfer to the New Plant 7

Chapter 2: FACTORS BEARING ON THE RE-EMPLOYMENT OF THE WORKERS 11
Labor Contract Provisions 11
Area Economics 12
Summary 14

Chapter 3: ANALYSIS OF THE LAID-OFF LABOR FORCE 15
Definition of the Universe 15
Worker Characteristics 15
Cross-Relationship of Worker Characteristics 20

Chapter 4: THE ROLE OF THE EMPLOYMENT SERVICE 22
Training 24

Chapter 5: POST-LAYOFF EMPLOYMENT EXPERIENCE 27
Information Surveys 27
Employment Experience as Measured by Employment Status at Time of Surveys 27
Cross-Relationships of Worker Characteristics 30
Experience as Measured by Percentage of Time Worked 33
Summary 36

Chapter 6: EMPLOYMENT SERVICE ACTIVITY APPRAISAL 38
General Observations 38
Testing-Counseling-Referrals-Placements 39

Chapter 7: FINDINGS AND SUMMARY 47
Adverse Factors 47
Project Staff Efforts 47
Worker Attitudes 47
Time Lags 48
Post-Layoff Experience 48
Minority Status 48

TABLE OF CONTENTS (Cont.)

Page

Chapter 8: RECOMMENDATIONS 49
Orientation 49
Non-Verbal Test 49
Closer Check on Information 49
Coordination of the Research Phase with the Employment Phase 50
Clarification of Status of Displaced Workers 50
Provision for Adequate Facilities and Personnel 50
Greater Emphasis on Educational Needs 51

APPENDIX 52

LIST OF TABLES

Page

I Return on Net Assets and Margin of Sales of Meat Packing and Manufacturing 3

II Selected Operating and Financial Statistics for the Cudahy Packing Company (Selected Years) 4

III Cudahy Job Structure Changes 8

IV Employment at the Omaha Cudahy Plant on Selective dates 10

V Work Force of Selected Segments as Percentages of Total Non-Agricultural Employment 13

VI Monthly Unemployment Rates 1961-1962 (Percentage of Total Work Force) 13

VII Distribution of the Displaced Workers by Sex and Age 15

VIII Schedules Filled Out by Applicant or Interviewer by Level of Education Reported 16

IX Level of Education of the Displaced Workers 17

X Marital Status of the Displaced Workers 18

XI Number of Dependents of the Displaced Workers 18

XII Status of Home Ownership of the Displaced Workers 19

XIII Ownership of Means of Transportation 19

XIV Primary Job Classifications of the Displaced Workers 20

XV Additional Job Classifications of the Displaced Workers 20

XVI Comparison of Age and Level of Education (In Numbers and Percentages in Parentheses, Each Age=100) 21

XVII Summary Table of Training Activities 25

XVIII Type of Placement Compared with Primary Job Classification 26

XIX Employment Status as Related to Age Groups (Number and Percent Employed) 27

XX Employment Status as Related to Marital Status (Number and Percent Employed) 28

XXI Employment Status Compared with Home Ownership Status of Men (Number and Percent Employed) 29

XXII Employment Status by Education (Number and Percent Employed) 29

XXIII Employment Status Compared with Number of Different Jobs Held (Number and Percent Employed) 30

XXIV Number of Different Jobs Held — By Source of Job: Employment Service (Number and Percent Employed) 31

XXV Own Car or Truck — Source of Job: Employment Service (Number and Percent Employed) 32

LIST OF TABLES (Cont.)

Page

XXVI Employment through the Employment Service (Number and Percent Employed) 32

XXVII Employment Status Summary (By Number and Percent) 33

XXVIII Percentage of Time Worked During the Year as Related to Age Groups (In Percentage of Total in Each Age Group by Sex) 33

XXIX Percentage of Time Worked by Age Groups (Men Only) 34

XXX Percentage of Time Worked as Related to Marital Status 34

XXXI Percentage of Time Worked as Related to Education (Men Only) 35

XXXII First Year Benefits Collected as Related to Source of Job (In Percentage of Total of Source) 35

XXXIII Partial Summary of Employment Service Activities, August 1961 - November 1962 (All Data are Cumulative, Except as Indicated) 40

XXXIV Level of Education Compared with Tested (Number and Percent) 41

XXXV Level of Education Compared with Test Patterns Obtained (Number and Percentage of Total Tested) 41

XXXVI Counseled Compared with Number of Times Referred (Number and Percent) 42

XXXVII Tested Compared with Number of Times Referred (Number and Percent) 43

XXXVIII Tested Compared with Number of Times Hired (Number and Percent) 43

XXXIX Counseled Compared with Number of Times Hired (Number and Percent) 44

XL Level of Education Compared with Referred for Training (Number and Percent) 45

XLI Number of Times Hired Compared with Recommended for Training (Number and Percent) 45

XLII Sources of Information Leading to Jobs in the Cudahy and Armour Studies, in Percent 46

APPENDIX

Page

I. List of Automation Projects 52

II. Automation Clause 52

III. Cudahy Notification to Employees 53

IV. Establishment of Mayor's Committee 57

V. Local Sixty Reports 58

VI. United Community Services Meeting 59

Highlights of the Cudahy Project

Technological advances in manufacturing industries generally result in a reduction of employment either relatively slowly over an extended period of time or in a dramatic manner in a short period of time. When technology lags in an industry, firm, or any portion of a firm's operation mass layoffs are likely to occur when changes are made.

Uncertainty in a layoff situation aggravates the effects of the layoff and makes the re-employment of the workers elsewhere more difficult.

The coordination of industry, labor, civic and welfare organizations and government agencies through the Project was of paramount importance in the enlistment of the community forces throughout the operation of the Project.

A combination of interacting factors — lack of education, lack of skills other than those developed at Cudahy, adverse attitudes toward new employment, differences in wages of jobs held in the past and those presently available — made necessary a concentrated and continuing effort to bring about satisfactory employment relationships through the organization of an Automation Demonstration Project.

Basic education was an essential factor in "job mobility" for both the workers who were re-assigned at Cudahy and for those who were displaced.

Age was not an insuperable obstacle to the re-employment of workers.

Home ownership and having dependents tended to be in evidence with successful job seekers. This was true particularly for women who were either divorced, separated or widowed.

Ownership of means of transportation was important in Omaha for successful job placement.

Technological changes occasioned but minor adjustments in the required skills for the new jobs at Cudahy. Lack of basic education was a greater obstacle than a lack of skills in the adjustment to the operation of the new plant.

Chapter 1: BACKGROUND AND CHANGEOVER TO THE NEW PLANT

Technological Progress

The problem of technological unemployment in the Omaha area due to the rather sudden and drastic reduction of forces at the Cudahy meat packing plant in 1961 is but a small, however dramatic, example of the national price being paid for economic progress. Technological change seems to be accelerating from decade to decade. The present rate of progress in some segments of American industry dwarfs that experienced during the so-called industrial revolution of the eighteenth and nineteenth centuries.

Technological progress in the United States, measured in terms of productivity of the entire work force, proceeds on an average of two to three percent per year. Increased productivity is very evident in manufacturing. Total employment in manufacturing in the United States has not increased materially since World War II in spite of an increase of almost 30 percent in population to 1961 and a considerable increase in the standard of living in the country.[1] It is recognized that not all of the increased standard of living is in the form of goods, although a part certainly is.[2]

Even within the industrial segment of the economy, technological progress does not affect all industries uniformly. Reduction of the necessary labor in the manufacturing or processing of a product proceeds by spurts and on a very selective basis. This is true of whole industries, of firms and even processes within a plant. A whole industry may seem to show little evidence of change until some technological development — for example, the forced oxygen furnaces in the steel industry — sets into motion a whole chain of labor-saving innovations.

Technological change brings about a number of economic effects. Aside from reducing the cost of production and thus making possible a higher standard of living, it has at least two other aspects. As less labor is needed to produce a product, the demand for labor is decreased unless the demand for the product increases sufficiently to offset the reduction of labor necessary per unit of product. A second effect of technological change may be the obsoleting of some previously very valuable skills. When the skills are very specific, related only to the work performed with no transfer to new opportunities, this may present a difficult problem. Such was the case with the proverbial glass blower and, more recently, with the hundreds of thousands of miners in Appalachia. To some extent this was the case with the Cudahy workers who were laid off, but it must not be assumed that the problem existed to the same degree for the Cudahy workers who were not laid off but were transferred to jobs in the new plant.

Another economic factor often aggravates the local situation. Favorable locations often deteriorate due to change in markets, sources of raw materials, factors of production or, as in the meat packing industry, changes in the transportation facilities available for either the raw materials or the finished product, or both. As formerly favorable locations slowly deteriorate, the additional costs due to poor location contribute to the need for technological changes and often influence the shift of location along with the technological change. Thus, Chicago, which not many years ago was the major meat packing center in the United States, has lost most of these economic activities to other localities. While there is no doubt that other locations were considered by the management of Cudahy, Omaha was very fortunate that the new plant was not constructed in another area.

[1] For a more detailed discussion of technological change see Victor R. Fuchs, "Economic Growth", **Forty-fourth Annual Report,** June 1964, National Bureau of Economic Research, Inc. p. 61.

[2] "For the period 1929-1961, we find that real output per man has grown at a rate of two and four-tenths percent per annum in the goods sector and seven-tenths per cent per annum in the service sector." p. 62, **IBID.**

Economics of the Meat Industry

The demand for the products of the meat packing industry certainly has not been lacking. Per capita consumption in the United States of "red meat" has increased from 143.4 pounds in 1948 to 169.9 pounds in 1963, or a total of 18.5 percent. Total meat production has increased 25 percent during this period. Production of the industry increased from 24,690 million pounds in 1958 to 28,370 million pounds in 1962. This 14.9 percent increase was accomplished with a reduction of 7.1 percent of production workers during the same period. Output per man-hour rose by 20.8 percent.[1] The rate of technological change in the industry from 1958 to 1962 exceeded that of the economy as a whole.

The industry has not been known for its overall profitability nor for its wide margins between costs and prices. Table I compares the return on net assets and the margin on sales of the meat packing industry with manufacturing as a whole.

TABLE I

Return on Net Assets and Margin of Sales of Meat Packing and Manufacturing

	Meat Packing		Total Manufacturing	
Year	Percent Return on Net Assets	Percent Margin on Sales	Percent Return on Net Assets	Percent Margin on Sales
1957	4.2	0.5	12.9	5.9
1958	4.5	0.5	8.9	5.5
1959	7.8	1.0	9.8	6.0
1960	6.3	0.8	10.5	5.4
1961	4.6	0.6	9.9	5.2
1962	5.7	0.7	10.9	5.5
1963	5.9	0.7	11.5	5.7

Source: **Monthly Economic Letter,** First National City Bank, New York, April Issues, 1958-1964.

The average for the period for meat packing was 5.54 percent return on net assets compared with 10.65 percent for manufacturing as a whole, and .67 percent margin on sales compared with 5.76 percent for all manufacturing. In every year the meat packing industry group ranked lowest of all manufacturing groups for both return and margin. If we assume a 50 percent income tax rate, every dollar saved was equal to an additional $75 in sales. Quite an incentive for reduction of costs!

The seasonality of the supply of livestock for slaughter has been reduced to a considerable extent in recent years. Some seasonality still exists causing frequent adjustments in the labor force. A seasonal pattern is also evident in the prices of raw material—livestock.[2]

Wages in the industry have been among the highest in the country. Between 1958 and 1963 hourly wage rates were increased from $1.94 to $2.55 (including cost of living adjustments) or 31 percent. Technological improvements were just about sufficient to maintain a constant relationship between total

[1] Source: American Meat Institute, **Financial Facts about the Meat Packing Industry, 1962;** Chicago, 1963. Bureau of Labor Statistics, **Employment and Earnings,** Vol. 10, No. 3, Sept. 1963.

[2] Federal Reserve Bank of Kansas City, Monthly Review, May-June 1962, p. 10.

wages and salaries and level of production. The wage and salary cost in cents per pound of meat processed for the years from 1958 to 1962 was 6.2, 6.4, 6.3, 6.2 and 6.2, respectively. Thus the race between wage costs and labor-saving innovations was a stalemate.

The Cudahy Company

That the Cudahy Packing Company did not escape from the inexorable economic forces of the entire industry is demonstrated by the operating statistics of the firm.

TABLE II

Selected Operating and Financial Statistics for the Cudahy Packing Company (Selected Years)

Year	Employment	Sales ($000,000)	Net Profit ($000)
1952	14,200	563	(5,052) Deficit
1954	8,900	455	(5,430) Deficit
1956	8,400	291	5,268
1958	8,133	369	2,671
1960	7,811	341	811
1962	6,812	313	(849) Deficit

Sources: Employment and Sales — Moody's Investors Service, Inc., Moody's Industrial Manual, Robert H. Messner, New York, 1963. Profits — Annual Reports of the Company.

Although the Cudahy Company has been a traditional member of the "Big Four" of the meat packing industry, by 1962 it was surpassed by three of the "Little Five" in total sales. The decade from 1952 to 1962 was a period in which inefficient operations were abandoned, and plants, which were to be retained, were modernized. Both the employment and the sales figures illustrate this trend. The Wichita, Kansas, plant was modernized over a period of ten years on a piecemeal basis. In contrast, the modernization in Omaha was performed by the construction of an entirely new plant adjacent to the old one with the changeover taking place in a relatively short time, thereby giving very little time to make employee adjustments through attrition.

Involvement of Company, Union, Employment Service and Civic Organizations

The decision to retain operations in Omaha was made in the early 1950's when the company built the corporate headquarters office building across the street from the old plant. The construction of the new plant was started in 1959 and completed two and one-half years later. The plant which it was to replace, built in the 1880's, was of the mill-type construction with wood floors and supports. Not only was it obsolete from an operational point of view but governmental inspection standards could no longer be met and the building just was not suited for the necessary improvements.

The new facilities do not provide for a sheep kill as did the old. The kill floors for cattle and hogs were placed in the new plant on the newest and most economical basis available at the time. Instead of the worker going to the carcass, the carcass is brought to the worker who then is given modern power tools with which to make the proper cuts. The greatest savings came from the elimination of manual material handling, thus obviating the use of much common labor. The processing of much of the product is still performed in buildings which have been in use for a considerable number of years.

Considerable efforts were made by the company to keep the union officials informed of what was to be expected. The construction of the plant, beginning in February 1959, over a period of two and a half years, certainly must have been evidence that the company was in earnest in its efforts to reduce costs. Furthermore, early in 1960 preliminary discussions were held with union officials on the new operations.

The first meeting of the company with the Employment Service was held on June 7, 1961, almost five months before the first transfer to the new plant. Two weeks later, on June 21, company executives, union officials and local and state representatives of the Employment Service, as well as the Labor Commissioner, met. On July 24, 1961 another meeting was held between the company, union and local Employment Service representatives. At this time schedules were set up for testing and counseling of employees who were to be laid off in the changeover, prior to the anticipated layoff. The pre-layoff testing and counseling schedule covered a period of about three weeks beginning on August 20, 1961.

Twenty automation demonstration projects were started in local public employment service offices in eleven states in 1961-1963. One of the objectives was to gain experience with local labor area problems arising from automation and technological change, and mass layoffs. The projects were designed to help displaced workers find new jobs, to gain information about occupations in technologically changed processes, to conduct research in operations, and to provide information throughout the Federal-State Employment Service system on the experience thus gained. The Cudahy project became United States Employment Service Automation Demonstration Project Number One on October 12, 1961.

On October 20, 1961, the United Community Services entered into the picture. A program to centralize all requests for assistance by Cudahy workers was established in order to avoid duplication of effort. Early in November the Mayor's Committee on Automation Re-employment was established for the purpose of enlisting the whole city in the project. On December 4 the Employment Service provided the Chamber of Commerce with an inventory of occupational skills of the dislocated workers. This inventory with a covering letter was sent to 2,200 Chamber members on the 13th of December.

In the meantime the union in meetings and in notices attempted to keep employees informed on the details of the situation. The August 9, 1961 notice informed the employees of the seniority cut-off dates on which the layoffs were to be made. The same notice encouraged the employees to avail themselves of the testing facilities which were provided by the Employment Service. On November 29 a letter was sent by the union officials to all who had been or who were to be involved encouraging them to avail themselves of the opportunities extended by the Project organization.

The foregoing rehearsal of events and communications was made to show that attempts were made to keep the employees informed. It should be noted that much of the employee contact with regard to the reduction in forces was made by the union, Local 60, United Packinghouse Workers of America, AFL-CIO.

Approximately one month before the initial layoff of 280 employees the Mayor of Omaha met with the company and union officials to discuss the impending layoff. On August 15 the Mayor sent a letter to each of 23 employer and management associations requesting the cooperation of the members of these organizations to open the doors of their employment offices to the displaced workers. Close coordination between the Manager of the Omaha office of the Division of Employment, the Mayor, and company and union officials brought about the formation of the Mayor's Committee on Automation Re-employment.

The membership was composed of representatives from industry, labor, civic and welfare organizations, state and local government agencies including the Nebraska Division of Employment and the Project. The purpose of the Committee was to enlist the cooperation of the entire Omaha community and to coordinate the activities of the community in the employment of the Cudahy workers who were to be laid off.

At the request of the Mayor's Committee the Chamber of Commerce became actively involved in the problem. A letter was sent by the Chamber to its 2,200 members informing them of the facts of the situation and asking them to inform the Employment Service of any job openings they might have or on which they had any information. A list of occupational skills of the laid-off workers was included with the letter. This letter was sent on December 13 after the services of 895[1] employees had been terminated by the Cudahy company. The skill inventory on which the list of occupational skills was based was made by the Omaha office of the Nebraska Division of Employment.

The involvement of the Employment Service was very real, beginning well in advance of the initial layoff. The first contacts of the Service with the employees were the voluntary pre-layoff group testing meetings. After the layoffs, those who had not been tested were encouraged to appear for testing and counseling at the local office. The Unemployment Insurance claim filing, of course, provided a means for continuing contact.

A short-term job vacancy survey, endorsed by the Mayor's Committee, was conducted by the Omaha local Employment Service office. Three hundred twenty-five of the largest firms, selected on an industrial basis, were surveyed beginning December 18, 1961. An additional 275 firms were surveyed three weeks later. This resulted in approximately 250 openings. Many of these openings were not suitable for former Cudahy workers. Some required professional or clerical experience, or skills not possessed by this group. Others, such as hospital aides, cab drivers, and occupations in food service that are normally available even in periods of high unemployment, were not acceptable to these applicants. However, the job vacancy survey was of value in enabling the Employment Service to provide service to this group and some workers were placed as a result. Thus, the Employment Service was closely and actively involved in both the supply and demand aspects of the problem.

The enlistment of the welfare agencies of the community by the Mayor's Committee also constituted an important aspect of the whole program. All member agencies of the United Community Services coordinated the applications for assistance of displaced workers and the Project staff made special efforts to find immediate employment for these applicants. A plan to set up a basic education program was proposed by the Project personnel and initiated through the United Community Services. The program was carried out by the Public School System. Since the Manpower Development Training Act did not become a law until March 15, 1962, there were no funds except those administered by the Cudahy Automation Fund Committee to pay for training at this time.

The Omaha Public School System was also represented on the Mayor's Committee. Its active participation in all phases of the program was significant, but of special interest were the training and educational services rendered by the schools. Several training programs were conducted in Omaha's Technical High School in conjunction with the Adult Education Program. The class in basic education gave opportunity to those who did not have even the rudiments of the three R's.

---

[1] This includes the 220 employees who were on layoff status at the time of the changeover.

Transfer to the New Plant

The transfer to the new plant was made on an intermittent basis. A few months before the transfer to the new plant the sheep kill was discontinued. The transfer of the beef and pork kills to the new plant was the principal feature of the changeover. The consolidation of the various assembly departments, which originally were located in the respective product divisions, presented a major problem of adjustment for the company. The sliced bacon operations were not transferred until well after January 1, 1962. The Demonstration Project staff analyzed the new jobs in the company and developed flow charts of the beef and pork kills and the assembly department.

Table III shows how the reduction in forces affected some of the departments of the plant. It covers roughly one-half of the displacement incidence. Conspicuously absent from the table is the former sheep kill operation which was eliminated entirely.

In the 11 departments on which information is available 214 jobs were eliminated, but 79 new jobs were established. However, 34 of the "new" jobs were merely transfers from the processing departments to the new assembly department. Therefore, the figures of 180 and 45 would be more accurate with regard to the jobs eliminated and new jobs set up, respectively. Approximately 80 percent of all jobs eliminated were unskilled. Eighty-two percent of the new jobs (if we exclude the assembly jobs which were really only transferred) were unskilled. Skill-wise there was little relative change in the composition of jobs in the plant.

The largest relative change in employment, excluding the sheep kill, was in the smoked meats and sliced bacon departments. The 56 percent reduction in force was due to the installation of automated equipment, the reduction in the number of floors for the department from three to one, and the "on the rail" cure eliminating the wash gang and the stockinette operation made up mostly of unskilled labor. The installation of conveyor systems figured prominently in the large reduction of forces in the beef operations, the miscellaneous by-products, and pork kill departments. Workers displaced by conveyorization were largely unskilled material handlers and transporters. The reduction of forces in the sweet pickle department was due to the installation of new equipment.

TABLE III

Cudahy Job Structure Changes

	Total No. Jobs		Total No Workers		Total Displaced Workers		Total Changes		Kind of Changes									
									Jobs Eliminated					Jobs Added				
Department	Old	New	Old	New	No.	%	Jobs Elim.	Jobs Added	Un-Skilled	Semi-Skilled	Skilled	Service	Clerical	Un-Skilled	Semi-Skilled	Skilled	Service	Clerical
Maintenance[1]	65	61	287	244	43	15.0	4	0	2	1	1	0	0	0	0	0	0	0
Smoked Meats and Sliced Bacon	74	24	116	51	65	56.0	54	4	44	6	1	1	2	2	2	0	0	0
Fresh Sausage[2]	59	56	55[2]	52[2]	3	5.5	3	0	2	1	0	0	0	0	0	0	0	0
Canning[2]	159	152	141[2]	133[2]	8	5.7	7	0	4	0	0	0	3	0	0	0	0	0
Miscellaneous By-Products[3]	61	41	108	65	43	39.7	22	2	15	5	1	0	1	2	0	0	0	0
Sweet Pickles	56	47	149	108	41	27.5	10	1	8	2	0	0	0	1	0	0	0	0
Dry Sausage	70	70	163	161	2	1.2	3	3	2	0	1	0	0	1	0	2	0	0
Pork Pack and Trim	45	31	89	59	30	34.0	15	1	12	1	2	0	0	1	0	0	0	0
Pork Kill, Cut, and Casing	163	142	242	205	37	26.0	35	14	25	10	0	0	0	12	0	1	1	0
Beef Operations	151	109	293	177	116	39.6	61	19	53	5	1	0	2	13	5	0	1	0
Assembly and Loading[4]	0	35	0	156	0	0	0	35		0	0	0	0	21[4]	5	1	1	7

[1] Includes Plant Sanitation, Sprinker Maintenance, Night Cleanup, Car Cleaning and Icing, Supply, Concessions, Constructions, Power and Refrigeration departments.

[2] Not all jobs filled at all times due to line and product changes.

[3] Includes Pharmaceuticals, Lard and Clix, Animal Feed-Tank departments.

[4] Only one new, unskilled, job, Router: others transferred from various other departments.

The 15 percent reduction of maintenance workers was due largely to the reduced need for maintenance in the new plant, and also in part to the reduced level of production. The reduction in forces in the fresh sausage, the canning and the dry sausage departments was occasioned entirely by the transfer of the assembly work to the new asembly department. The reduction in the pork pack and trim department was due largely to a transfer of work between departments.

It is evident that the change from the old to the new plant did not raise the skill requirements for Cudahy. Seven jobs in the "skilled" category were eliminated and four were added. The large majority of jobs which were eliminated were in the "unskilled" group. The need for basic education was increased because some of the new jobs in the assembly department, although classified as "unskilled", required the ability to read and write.

The on-the-job training for the new jobs at Cudahy was accomplished in one week for the lesser-skilled jobs and two to four weeks for the higher skilled jobs. Mechanization transferred certain skills from man to machine. In other cases the work performed under the new conditions was not much altered from the old except that superior tools were provided to the workers. Some jobs were enlarged materially. In the old smoked meats department, the pressman (Bacon Press Operator, 6-09.323) was responsible for straightening and flattening the bacon by means of a hydraulic system. In the new operation he not only presses and flattens the bacon but he is responsible also for slicing, weighing and inspecting it for cleanliness. He now operates a form press as well as a slicing machine. He must adjust the machine and also tend a Cashin Weigh Convey to check the weight. The on-the-job training was done by the machine manufacturer for one week's duration.

Special circumstances in the assembly department made for an adjustment problem. The assembly of customer orders was centralized in the new organization, following the activation of the new plant. Formerly this assembly had been performed in the various product departments. The centralization of this function required the knowledge of all the products of the company, but more important, also an educational attainment level that was beyond many of the workers assigned to this work. What the workers lacked was not a category of specific skills but a minimum level of education in the basic three R's.

Original estimates of the company executives were that the employment at the Omaha plant operation was to be reduced from 2,008 to approximately 1,130 employees, 950 men and 180 women. Two hundred and twenty persons were in a laid-off status when the changeover to the new plant was made. Another 675 were laid off when the shift was made to the new plant. Thus, early in December 895 workers had been laid off: 200 were on layoff status from previous reductions in work force, an additional 400 were on "permanent' 'layoff status and another 275 were on "temporary" layoff status.

Because of sick leave, vacations and temporary supplementary needs, frequent recall and gate hiring were made for temporary work. At this stage almost all of the workers were persisting in their efforts to obtain even one day of temporary work at the plant. The practice of being at the gate by 6:30 a.m. for possible hiring was followed with regularity. Actual gate hiring on such a temporary basis, coupled with frequent recall for varying reasons, plus the incessant rumors as to rehire, kept workers in a state of indecision and unrest. This was reflected in the results of placement activities. Applicants failed to appear for job interviews with employers, sometimes even failed to report for work when hired, and, on occasion, worked a short time, then left abruptly to return for temporary work at Cudahy. Because the Project staff was aware of the workers' strong attachment to their employer and of the continuing benefits one day's replacement work would insure, every effort was made to explore and stabilize work attitudes and performance in relation to new jobs. It was necessary, also, to counsel frequently with employers, many of whom were understandably impatient with Cudahy employees, or, for that matter, with workers accustomed to a seasonal employment pattern and high wages. The fluctuation of total employment at the plant shows the extent of hiring and layoffs during the months following the transfer to the new plant.

TABLE IV

Employment at the Omaha Cudahy Plant on Selective Dates

Date	Total Employment	Temporary or Replacement Employment
February, 1962	1,350	75
May, 1962	1,400	100 to be laid off
June, 1962	1,445	145
July, 1962	1,530	220
November, 1962	1,300	150

In the meantime, the original seniority dates for layoff purposes were adjusted to the new circumstances. In June, 1961 these were set at October 14, 1949 for men and September 7, 1945 for women. The cut-off dates for men were changed to August, 1951 in October and again in June, 1962 to the end of 1952. Those for women were not altered. These changes made for uncertainties as to the relative status of many employees and raised the hope of additional laid-off workers who had no chance at all of being rehired and retained by the Cudahy firm. As a result of the uncertainties as to the total number of people to be laid off, the fluctuation in the number of workers needed resulting in frequent rehirings and the trend of revising the seniority cut-off dates to more recent times, employees hopes were constantly revived for continued future employment with Cudahy.

The adjustment to the new conditions by the employees who were not laid off was very slow and unsatisfactory. The beef kill was set up on an anticipated 90 per hour basis in December, 1961. This crew reached but a level of 60 per hour in February, 66 in March, 65 in April at which time a work stoppage occurred. By May it reached 75 per hour, dropped to 68 in June, rose to 85 in July and did not reach the "normal" until October, 1962. This was in contrast to a similar changeover by another packer in which 55 workers killed 50 per hour before modernization and 42 workers killed 70 per hour after modernization. The standard of 70 was attained in one week. The slow adjustment to the new conditions at Cudahy cannot be attributed to increased difficulty of the jobs or to any other technical problem such as training or layout of the plant.

The hog kill adjustment was made much more speedily. By March the killing rate for the 300 per hour crew had reached 314. The operation showed some fluctuation, however, probably the result of the unsettled relations in the plant. On the whole, the operation seemed quite satisfactory at a level at which the employees earned a production bonus of 10 to 15 percent of base rate. The assembly department operations improvement was comparable to that of the beef kill.

Chapter 2: FACTORS BEARING ON THE RE-EMPLOYMENT OF THE WORKERS

A number of factors greatly influenced the degree of success in solving the unemployment problem in this particular case. As mentioned above, the mobilization of the various community organizations, public, private and charitable, in a cooperative and coordinated effort was a very favorable influence in the whole situation and cannot be over-emphasized. There were, on the other hand, certain circumstances that rendered the problem more difficult.

Labor Contract Provisions

An examination of the labor agreement shows that certain job-security provisions, designed to protect the employees, may well have tended to worsen the lot of the laid-off workers. The contract provided that layoffs be made on the basis of departmental seniority. But persons who had thus been removed from jobs then had a right to "bump" employees with less seniority. In effect, layoffs were made on a plant-wide basis. This, no doubt, was an advantage to the employee but it made necessary more on-the-job orientation and training.

The contract further provided that the laid-off employees retain re-employment rights for a two-year period. If an employee in a layoff status was hired as a replacement his re-employment rights were extended from this temporary employment for two years. If an employee failed to report to work within five days after he was recalled to work he lost his seniority rights.

The contract in force from September 1, 1959 also provided for severance pay based on the length of service of the employee and on his base rate of pay at the time of separation. However, "employees whose employment is terminated and who accept severance pay . . . have no further rights or service credits . . ." This latter provision made laid-off employees hesitant to request severance pay in spite of need. A supplementary agreement was negotiated between the company and the union that allowed employees to draw severance pay without losing re-employment rights. Any future severance pay credit was to be based on the accumulation of credit from the time of re-employment. By November, 1962, 625 had drawn their severance pay from the company.

The 1959 master agreement between the Cudahy Packing Company and the United Packinghouse Workers of America, AFL-CIO, provided for the establishment of a fund to defray the costs of retraining workers who might be laid off and for the administration of this fund. The fund was to be administered by a committee of five, composed of two representatives designated by the company and two by the union with an impartial chairman selected by mutual agreement of both parties. The Demonstration Project leader acted in that capacity though no chairman was selected. Money from the fund was used to pay only for tuition and supplies incidental to formal programs of training or retraining of employees in skills required for new jobs. The Project staff had the sole responsibility for screening, selecting, and referring applicants to state-approved training facilities. The committee requested that Project staff handle all details except actual payment of tuition which was made directly to the training facility. Thus all training activity, including the issuance of enrollment statements to be completed by the trainee's school, as well as progress reports, with copies to Cudahy management and the union, was under the continuing control of the Project staff. The committee at one point asked the staff to select 15 additional applicants for training as a number previously approved had failed to take advantage of the training opportunity. Every effort was made to follow through on this request so as to utilize the additional training funds released by the Cudahy Automation Fund Committee.[1] It should be noted that almost all of this activity preceded the implementation of the Manpower Development Training Act provisions in the area.

The wage level at which the Cudahy workers were paid was among the highest in Omaha and among the highest in the meat packing industry of the nation. Omaha manufacturing wages compared quite favorably with those of the country as a whole. In 1961 the average manufacturing wage per hour in Omaha was $2.34 and that of the nation was $2.32. Weekly earnings in manufacturing in Omaha were $98.47 and for the country $92.34. The only classifications in Omaha that had higher rates were in printing and publishing and even workers in this industry could not match meat packing employees in weekly earnings. The January 1, 1962 agreement with the United Packinghouse, Food and Allied Workers AFL-CIO raised hourly rates seven cents retroactive to September 4, 1961 and an additional six cents effective September 1, 1962.

Many of these favorable labor contract provisions made the task of re-employment of the Cudahy workers even more difficult. For the most part, employees could not expect to get jobs at rates comparable to the Cudahy wages. Thus no opportunity could be compared favorably with that which they had held at Cudahy. The re-employment rights remained as a link to the "golden past". The five-day limitation on recall tended to make these workers look at all other work as temporary. Other employers hesitated to employ Cudahy workers because of this. Employees would leave other jobs even for temporary replacement work at Cudahy. Although not a part of the new contract signed September 4, 1961, management had agreed to permit employees to work elsewhere during a two-year seniority-right period without a loss of rights or benefits. Thus the lure of temporary replacement work at Cudahy impelled employees to abandon another job or postpone job efforts when their rights of seniority and their benefits as to sick leave, vacation pay and insurance coverage were so easily maintained. The simple expedient of one day's replacement work thus extended re-employment rights to a full two-year period from the last day worked.

Add to this the fact that most available jobs for which they were qualified were at common labor or beginners' rates and that the differential between earnings at these rates and Unemployment Compensation was not very great, workers were not anxious to accept jobs and employers were hesitant to hire them. Nor did the refusal of jobs at the lower wage rates disqualify workers for Unemployment Compensation. The Nebraska law requires that in order for workers to qualify for Unemployment Compensation they must be willing and able to work at suitable employment. What is suitable employment depends on the claimant's "experience, training, and prior earnings".[2]

Area Economics

The Cudahy employees are drawn from the Omaha-Council Bluffs metropolitan area. The civilian labor force of this labor market amounted to 197,850 in 1961. There were 7,790 unemployed during the year with another 21,100 self-employed and 6,800 working in agriculture. The total non-agricultural wage and salary workers was 162,060. Of these, 37,800 were employed in trade and 36,890 in manufacturing. Service accounted for another 23,860 and government 21,100 employees. The following table compares the relative proportions that these groups comprised as percentages of the non-agricultural work force.

---

[1] See Appendix 2 for the contract provisions pertaining to the Cudahy Automation Fund Committee.

[2] State of Nebraska Unemployment Insurance, **Employers Information Manual**, January 19, 1964, p. 14.

TABLE V

Work Force of Selected Segments as Percentages of Total Non-Agricultural Employment

Classifications	United States	Omaha
Trade	20.9	23.3
Manufacturing	30.1	22.8
Service	14.0	14.7
Government	16.4	13.0

Source: Calculated from Bureau of Labor Statistics and Nebraska Department of Labor Statistics.

Omaha is relatively light in manufacturing as compared to the United States as a whole and heavy in trade and service. Trade and service wages are relatively low. On the other hand, Omaha manufacturing wages compare quite favorably with national manufacturing wages. Thus, the jobs (in trade and service) available to Cudahy workers were at a wage level below the wage level to which they were accustomed.

During the years of 1961 and 1962 Omaha experienced a much lower unemployment rate than the nation as a whole. The table below shows the comparable monthly rates for the two-year period.

TABLE VI

Monthly Unemployment Rates 1961-1962

(Percentage of Total Work Force)

	1961		1962	
Month	United States	Omaha	United States	Omaha
January	7.7	4.5	6.7	4.5
February	8.1	4.9	6.5	4.4
March	7.7	4.5	6.2	4.5
April	7.0	3.8	5.6	3.5
May	6.7	3.4	5.2	2.9
June	7.5	4.0	6.0	3.8
July	7.0	3.6	5.5	3.6
August	6.2	3.5	5.3	3.3
September	5.7	3.3	4.9	3.0
October	5.5	3.0	4.6	2.7
November	5.6	3.8	5.3	3.4
December	5.8	4.1	5.3	3.3

Source: United States rates from Bureau of Labor Statistics, unadjusted for seasonal variation; Omaha rates from Nebraska Department of Labor.

In every month the Omaha figures show a much lower unemployment rate than the nation as a whole. An annual average of the monthly rates shows that the country experienced 6.7 percent and 5.6 percent for the two years, respectively, while the Omaha area had comparable figures of 3.9 percent and 3.6 percent.

The table also reflects a degree of seasonality. The period is hardly long enough to establish the extent of a seasonal pattern but the two series for the two years reflect a similar pattern.

The increase in unemployment in June and the drop in September is no doubt due to the entry into and exit of students from the labor market at these two periods in the year. The increase of unemployment from December to January is accentuated by the lull in the trade segment following the Christmas holidays.

Summary

At the time of the major layoff in October, 1961, there were both favorable and unfavorable factors that had a bearing on the success of the community to absorb this sudden increase of unemployed people. The influences that deterred the employment were the uncertain status of the laid-off workers and the consequent hope of being recalled, the high level of wages at Cudahy relative to those of jobs available to the workers which added to the attachment of these workers to their former employer, and labor contract security provisions which prolonged the tenuous relationship between the company and the laid-off worker. As shown above, refusal of these jobs at lower wages did not disqualify applicants for Unemployment Compensation.

Two favorable factors were significant. The relatively low level of unemployment in Omaha was a propitious circumstance. New industries were entering the area and some existing firms were expanding operations. The labor market was active. Probably as important as the above was the formation of the Automation Project. The function of the Omaha Demonstration Project staff was not only to act as the Employment Division for this group of workers, but also as the mobilizing and coordinating force of the various community organizations interested in the employment of the displaced workers. The Project went into operation on October 12, 1961.

Chapter 3: ANALSIS OF THE LAID-OFF LABOR FORCE

Definition of the Universe

The universe of this case study was a little difficult to determine. Two hundred and fifty people were on layoff status at the time of the major layoff of 675, making a total of 925. Of this group, 211 were dropped from the study because they were re-employed by the Cudahy company for one reason or other. Forty-two workers were known to have moved from the area so they were removed from consideration. Six were deceased. Sufficient data were not available on an additional 144 so that the major portion of the statistical study covers 522 laid-off workers, 385 men and 137 women.

Worker Characteristics

TABLE VII

Distribution of the Displaced Workers
By Sex and Age

	Men		Women		Total	
Age of Workers	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Under 25	18	4.7	0	0	18	3.4
25 - 29	95	24.7	2	1.5	97	18.6
30 - 34	91	23.6	13	9.5	104	19.9
35 - 39	57	14.8	19	13.9	76	14.6
40 - 44	48	12,5	29	21.2	77	14.8
45 - 49	35	9.1	37	27.0	72	13.8
50 - 54	27	7.0	24	17.5	51	9.8
55 and over	14	3.6	13	9.5	27	5.2
Total	385	100.0*	137	100.0*	522	100.0*

*In this table percent totals may not add to 100.0 due to rounding.

It is evident from this table that the Cudahy company had hired a preponderance of young applicants in the decade preceding the reduction in force. Fifty-three percent of the 385 men were under 35 years of age. Eighty percent were less than 45 years of age. The average age of the men was 36.6 years. Relatively few women had been hired in recent years, hence the earlier seniority cut-off date for women. The average age of the 137 women was 45.8 years. Only 46.1 percent of the women were less than 45 years of age.

The information on ages of the workers is most likely quite accurate. There is, however, considerable evidence that the information given by the workers on the level of education was quite misleading. The correlation of education reported by the workers to other data will help to substantiate this statement. Many of those who claimed to have "some high school" education were unable to fill out a questionnaire and thus gave indication they were functionally illiterate. In contrast, some that reported that they had completed only part of an elementary education were able to complete the questionnaire. "It is calculated that some three million of the four million Americans classed as chronically unemployed are functional illiterates".[1]

TABLE VIII

Schedules Filled Out by Applicant or Interviewer
By Level of Education Reported

	Men		Women		Total	
Level of Education	By Applicant	By Interviewer	By Applicant	By Interviewer	By Applicant	By Interviewer
5th grade or less	10	43	4	1	14	44
6th and 7th grade	23	24	6	6	29	30
8th grade	31	37	18	14	49	51
1 to 3 years high school	77	54	38	17	115	71
4 years high school	57	14	27	3	84	17
1 to 3 years college	12	0	1	2	13	2
4 years college	1	1	0	0	1	1
Over 5 years college	0	1	0	0	0	1

The first page of the interview schedule was to be used as a test of the literacy level of the worker. If the worker was able to fill in his name and other vital statistics it was felt that he probably was able to take the General Aptitude Test Battery. If he was not able to fill it out the interviewer was to do it. However, Table VIII seems to indicate that communications with the interviewers evidently failed at some point.

There probably is little doubt that a large number of those with fifth-grade or less education were functionally illiterate. However, the 14 out of 58 who filled out their own questionnaires show that not all the workers involved, with a maximum of a fifth-grade education, were illiterate. It was not until a full four years high school education was claimed that a very large proportion completed their own questionnaire. It is quite possible that the "years" of school were not at all equivalent to "grades" of education and that a fair percentage of those who purported to have one to three years high school spent only a part (however small) of that number of years in school.

The reported education of the displaced workers is given in Table IX below. For all three groups—men, women and combined—the median falls into the "some high school" classification.

---

[1] Wall Street Journal, December 29, 1964, p. 1.

TABLE IX

Level of Education of the Displaced Workers

	Men		Women		Total	
Level of Education	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
5th grade or less	53	13.8	5	3.6	58	11.1
6th and 7th grades	47	12.2	12	8.8	59	11.3
8th grade	68	17.7	32	23.4	100	19.2
Some high school	131	34.0	55	40.1	186	35.6
High school graduate	71	18.4	30	21.9	101	19.3
Some college	15	3.9	3	2.2	18	3.4
Total	385		137		522	

The table shows that almost 40 percent of the men and almost 36 percent of the women had an eighth-grade education or less. Thirty-four percent of the men and 40 percent of the women were high school dropouts. Less than 23 percent of the total group had at least a high school education.

Closely related to the above statistics is the fact that 41 percent of those who were originally in the planned layoff were non-white. This compares with 11.1 percent of non-whites in the labor force in the country. While no specific data were available on the relationship between race and education, or lack of it,[1] it is probably not too presumptuous to assume that the level of education of the laid-off workers was influenced considerably by the heavy concentration of non-white workers. Furthermore, the experience of those on the Project staff who worked with this group was that the race factor was closely related to the post-layoff employment experience. The non-whites had considerably less success in obtaining employment than did the white workers. The extent of this influence was not determined because of the "color-blind" policy of the United States Employment Service.. Occasional employer resistance to the employment of minority groups was encountered. In some cases this resistance was lessened or eliminated through discussions between the employer and the Project personnel. In one case an employer who had been convinced by Project personnel to try a minority worker requested another because of the excellent record of the first one hired.

The marital status of the displaced workers was probably quite comparable to that of the workers who remained on the payroll or of the working force in the community. The data are presented in view of the possibility that marital status may have had a bearing on the post-layoff labor market experience of the group.

---

[1] "It is the policy of the Employment Service to make no indication of an applicant's race, creed, color or national origin on any office record." **Employment Security Manual.**

TABLE X

Marital Status of the Displaced Workers

	Men		Women		Total	
Marital Status	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Married	288	74.8	99	72.3	387	74.1
Single	50	13.0	5	3.6	55	10.5
Widowed	2	0.5	12	8.8	14	2.7
Divorced	22	5.7	15	10.9	37	7.1
Separated	19	4.9	6	4.4	25	4.8
INA*	4	1.0	0	0	4	0.8

*Information Not Available

Closely related to the factor of marital status is the number of dependents that each of the workers had and the portion of family income earned by others. We might assume that the greater the responsibility for contributing to the livelihood of others the greater would be the willingness to accept employment even of a less desirable nature. It is unfortunate that the "Information Not Available" group in the table of the number of dependents constitutes such a large proportion of the whole.

TABLE XI

Number of Dependents of the Displaced Workers

	Men		Women		Total	
Number of Dependents	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
1	43	11.2	18	13.1	61	11.7
2	46	11.9	10	7.3	56	10.7
3	45	11.7	7	5.1	52	10.0
4	54	14.0	2	1.5	56	10.7
5	42	10.9	0	0	42	8.0
6	21	5.5	2	1.5	23	4.4
7	17	4.4	0	0	17	3.3
8	9	2.3	1	0.7	10	1.9
9 or more	10	2.6	0	0	10	1.9
INA*	98	25.5	97	70.8	195	37.3
Totals	385		137		522	

*Information Not Available

The status of home ownership of displaced workers could possibly be an indication of personal and financial responsibility.

TABLE XII

Status of Home Ownership of the Displaced Workers

	Men		Women		Total	
Status of Home Ownership	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Own Home	114	29.6	103	75.2	217	41.6
Rent house	97	25.2	16	11.6	113	21.7
Rent apartment	143	37.1	12	8.8	155	29.7
Live with parents or relatives	23	6.0	6	4.4	29	5.6
INA*	8	2.1	0	0	8	1.5
Total	385		137		522	

*Information Not Available

In view of the location of some of the new industries on the fringe of the city of Omaha, as well as of existing firms, the ownership of means of transportation seemed to have a bearing on the employability of the worker. The following table shows the extent of ownership of automotive transportation equipment at the time of the first survey, six months after the principal layoff. These figures, however, turned out to overstate the availability of transportation. The condition of the automobile or whether a car license had been obtained often turned out to be the determining factor but this was not covered by the data.

TABLE XIII

Ownership of Means of Transportation

	Yes	No
Men	247	117
Women	62	55

The work experience of the displaced workers while in the employ of Cudahy, for the most part, did not serve them well as a basis for future employment. It was unfortunate that for many work at Cudahy constituted the only employment experience they had had. Therefore, the primary job classifications assigned to the workers by the employment counselors were heavily weighted in the unskilled category.

TABLE XIV

Primary Job Classifications[1] of the Displaced Workers

Primary Job for Which Presently Qualified	Men		Women		Total	
	Number	Percent	Number	Percent	Number	Percent
Professional	2	0.5	0	0	2	0.4
Clerical and Sales	6	1.6	2	1.5	8	1.5
Service	34	8.8	3	2.2	37	7.3
Agriculture	0	0	0	0	0	0
Skilled	26	6.8	0	0	26	5.0
Semi-skilled	51	13.2	3	2.2	54	10.3
Unskilled	266	69.1	129	94.2	395	75.6

Over 82 percent of the men and 96 percent of the women were assigned primary classifications of unskilled or semi-skilled. The additional classifications assigned to the displaced workers were somewhat less weighted on the unskilled and semi-skilled categories. These two constituted 62 percent and 40 percent of the total.

TABLE XV

Additional Job Classifications[2] of the Displaced Workers

Additional Job for Which Presently Qualified	Men		Women		Total	
	Number	Percent	Number	Percent	Number	Percent
Professional	1	0.3	0	0	1	0.2
Clerical and Sales	14	3.6	10	7.3	24	4.6
Service	54	14.0	16	11.7	70	13.4
Agriculture	11	2.9	2	1.5	13	2.5
Skilled	23	6.0	1	0.7	24	4.6
Semi-skilled	76	19.7	15	10.9	91	17.4
Unskilled	163	42.3	40	29.2	203	38.9
Not applicable	43	11.2	53	38.7	96	18.4
Total	385		137		522	

Cross-Relationship of Worker Characteristics

Some inter-relationships between characteristics of the workers seem to be significant. Even if we hedge somewhat on the education which was reported by the individuals it is evident that the younger members had more education than the older ones.

---

[1] **Primary Job (Occupational) Classification.** The first title and code in the list of occupations or fields of work for which an applicant is considered qualified and which represents the one for which he is considered best suited, if such a distinction is possible.

[2] **Additional Job (Occupational) Classification.** The occupation classification in any occupation for which an applicant is fully qualified, other than the occupation designated as his primary occupational classification.

TABLE XVI

Comparison of Age and Level of Education
(In Numbers and Percentages in Parentheses, Each Age = 100)

	8th Grade or Less		High School and Above		Some High School	
Age	Men	Women	Men	Women	Men	Women
Under 35	68 (33.3)	2 (13.3)	82 (40.2)	7 (46.7)	54 (26.5)	6 (40.0)
35 to 44	54 (51.4)	10 (20.8)	30 (28.6)	20 (41.6)	21 (20.0)	18 (37.6)
45 and over	46 (60.5)	38 (51.7)	19 (25.0)	28 (37.3)	11 (14.5)	9 (12.0)
Total	168	50	131	55	86	33

Two-thirds (66.7 percent) of the men under 35 years of age reported that they had at least some high school education. The comparable percentages for the two older classes are 49 for the 35 to 44 year group and 39.5 percent for the oldest group. Women reported a higher level of education but the pattern was similar to that of the men.

A probable significant factor may have been whether or not the individual was the principal breadwinner for the family. This was not determined as such but a number of sets of data show some definite relationships. Only 12.1 percent of the married men had no dependents; but 79 percent of the married women had no dependents, suggesting the conclusion that these were not the principal breadwinners. A large proportion of "single" men and women had no dependents. In the case of the "widowed, divorced, or separated" class, 63 percent of the men had no dependents, but only 46 percent of the women had no obligations for others. Thus, 54 percent of these women had dependents which suggests that they were the principal breadwinners for their families.

This conclusion is supported in another set of data that shows that of the women widowed, divorced, or separated, 87 percent did not have others working full time in the family. Another set of statistics shows that this group is distinct in its characteristics from the usual female supplementary wage-earner in that almost 60 percent (19 of 32) owned their homes, whereas only 14.3 percent of the men in this classification owned their homes.

Chapter 4: THE ROLE OF THE EMPLOYMENT SERVICE

The Nebraska State Employment Service was brought into the picture at a very early date. Recognition of the enormity of the problem of re-employment for the soon to be displaced Cudahy workers prompted the state officials to seek the aid of the National office. One of the objectives of the Bureau of Employment Security was to determine how technological change was affecting the displaced workers whose skills were not readily marketable elsewhere and how the Employment Service could best reduce the impact by intensive placement services.

Automation Demonstration Projects were set up to find possible solutions and were designed to focus the resources of the Employment Service on situations in which problems consequent to technological change were evident. The Cudahy project became Automation Demonstration Project Number One as of October 12, 1961 as a result of the request. The project was headed by a supervisor with considerable experience in employment work. Two interviewers, a counselor, an occupational analyst, and a stenographer completed the Project staff.

The job orders received by the Omaha office of the Employment Service were used for the placement of all applicants, those who came to the Employment Service and those who came to the Project office, namely the displaced Cudahy workers.

The procedure was much different from the usual Employment Service approach. It not only utilized existing Employment Service techniques and resources but placed great emphasis on ingenuity, innovations, and new techniques which had success potential. In-depth interviewing was used to uncover all employment possibilities. Counseling was intensive and no time factor was set which might limit the process. Re-testing was scheduled wherever there was an indication that some factor might have had a bearing on the results. Applications were not removed from the active files for failure to report or respond but an intensive follow-up service was initiated to maintain active contact with the applicant. Project staff and displaced workers had the opportunity to identify with each other. Individual service was the objective.

The regular job orders, which are records of an employer's summary of a current job opening with details as to pay, hours, duties, special abilities, experience, and education requirements, were matched with the qualifications of the Cudahy workers as job openings became available. Employers were asked to relax hiring requirements when a Cudahy worker did not meet all the specifications. Job development efforts were made by contacting employers who answered the job survey, mentioned before, on the basis of their anticipated openings. Firms in industries where a rise in employment was indicated were also contacted to develop jobs. Resumes of applicants with specific qualifications were prepared and local office Employer Relations Representatives discussed these applicants with employers on their daily scheduled visits.

The modus operandi of the Project differed to a considerable degree from that of the usual Employment Service because of a number of cirmustances. The efforts of the Project staff were concentrated on a somewhat controlled group of 675 people. Contacts between the workers and the staff tended to develop on a continuing individualized basis. Thus, circumstances were such that in-depth interviewing could be carried on. This was part of the planned activity of the Project. Orders that were especially obtained for Cudahy workers and for which no Cudahy workers were qualified or that were not accepted by Cudahy workers were passed on to the regular Employment Service staff to be filled from general applicants.

Many of the displaced workers were counseled on numerous occasions. Many were called in for additional information and for testing. Much time was spent not only in obtaining further data for placement purposes but the applicant was counseled with regard to possible job openings and with regard to personal matters which might have a bearing on his employability. Those who had exhausted their Unemployment Compensation and those who applied to the city's charitable organizations for financial help were contacted and given immediate attention, and placement efforts on their behalf were intensified.

Due in part to these efforts only *one* family of the 59 who were referred to the Project by the United Community Service agencies, found it necessary to get financial help through the agencies. All the others became employed or entered training and thus were not eligible for such help.

It is the policy of the Employment Service to use objective tests, as needed, for the measurement of skills, aptitudes, and interests. Occupational tests are a standardized means of measuring an individual's possession of, or ability to acquire, job skills and knowledge. Interviews conducted for classification, selection, placement, or employment counseling frequently do not supply complete information on the employment abilities of the applicant. In employment counseling, tests provide information about an individual's aptitudes and thus aid in the formulation of suitable vocational plans. Test scores, however, should not be the sole basis for making decisions but should be interpreted in the light of all other information about the applicant.

The *Employment Security Manual*, Part II, Paragraph 9300, states that placement tests are to be restricted to those sixteen years and older and to those with at least a sixth-grade education. These provisions seem to have been adopted by the Nebraska Division of Employment. However, during the group testing sessions held at the Union Hall for Cudahy workers the minimum education requirement was not followed.

The Project staff screened the applicants interested in training in an effort to match applicant potentials, aspirations and job possibilities. The requests for training were submitted to the Cudahy Automation Fund Committee for approval of training funds. This Committee approved all requests submitted by the Project staff. Contact was maintained with the trainees until placement resulted. The enlistment of the Adult Education Division of the Omaha Public School System by the Project staff on behalf of the Cudahy workers not only provided opportunity for training in job skills but also made available basic education, the need for which was very evident in many cases.

Besides working through the Mayor's Committee and the civic groups associated with the Committee, the Project personnel contacted unions, hospitals, industrial associations and major construction contractors. The local newspaper was utilized for want ads, and news items were run. The project was well publicized in other communication media as well.

It is a rather difficult task to assign accurately the proper place that each of the various activities of the Project staff occupied in this project. The unwillingness of the workers to accept the finality of their break in employment with Cudahy produced adverse attitudes toward other job opportunities and toward the efforts on their behalf by the Project staff. It also resulted in a deterioration of their employability due often to personal matters of cleanliness and dress. Thus, frequent in-depth counseling became a very necessary phase in the placement procedure.

Training

The value of training activities should not be measured only in terms of the number of people involved. In many of these cases a completely new vocation was indicated. The opportunity to train for a new job was offered to the entire displaced group. Only 216 (41.4 percent) responded affirmatively to the question of interest in training for a new job. However, 184 actually requested training and of these, 11 did not have the necessary education to pursue the training requested. One hundred seventy-three were approved for training by the Project staff, and for Unemployment Compensation by the Division of Employment while in the training situation.

Of the total of 173 persons for whom funds were made available, 74 actually enrolled in a training course. Of the 99 who were not enrolled, two died, one moved away, three were rehired by Cudahy, five were rejected by the training facility because of lack of education, for five the requested training was not available locally, and one was placed in the meantime. The rest, 82, dropped out on their own—failed to report, changed their minds, or just did not follow through.

TABLE XVII

Summary Table of Training Activities

			Dropped Out								
Type of Training	Number Enrolled	Completed Training	Financial	Health	Domestic	Lack of Skill	Suspended	Unknown	Employed While in Training	Training Discontinued	Employed by December, 63
University	2										
Cosmetology	14	10	3		1						8
Barber	6	5		1							4
Meat Cutter	2	2									2
Clerical	13	4	4	1	2		1	1			2
Auto Body	7	5								2	4
Auto Mechanic	3		2	1							
Refrigeration and Air Conditioning	5	3	1				1				1
Practical Nurse	4	2		2							2 Plus 1 Dropout as Nurse Aide
Machine Shop	2	1							1		1
I.B.M. Key Punch	5	5									All Refused Employment
Welding	1								1		1 Dropout
Steam Plant Operation	3	3									3
Electronics	7	4				1		1	1		3
Totals	74	44	10	5	3	1	2	2	3	2	31

The two who entered a university were still attending at the close of the project. Training in cosmetology was not only the most popular but it also was very successful. At the other extreme was clerical training which resulted in a low proportion completing the course and even fewer finding employment. The five who enrolled and completed the IBM training all refused jobs after completion of the course. Auto body training proved successful. The two who did not finish failed through no fault of their own. The course was discontinued before they had completed. Training for steam plant operation was successful for the three who enrolled. All completed and were employed in their newly-acquired skills.

It is evident that the financial help provided by Unemployment Compensation was not adequate for some of the trainees. Ten dropped out for financial reasons, five because of poor health, three for domestic reasons, three became employed, two were dropped by the training facility, two for reasons unknown, and only one because of lack of ability. Thirty-one of the 44 who completed were employed by the end of the period. At least two who dropped out were employed in jobs requiring the skills obtained in the training.

In addition to the skills-training as discussed up to this point, considerable effort was made to enroll those lacking in education in basic and fundamental education courses. Four completed the basic and six completed the fundamental education courses.

During the period under study, from the layoff to approximately one year later, 1,160 job referrals were made. Almost 300 individual job development efforts were made by the Project staff. Indications are that the job development efforts brought about 35 placements. A total of 317 placements were made.

The placements made by job classifications are compared with the primary job classifications assigned the displaced workers after the layoff, in the following table.

TABLE XVIII
Type of Placement Compared with Primary Job Classification

Job Classifications	Primary Job Classifications	Placements Made by Project
Professional	2	1
Clerical and Sales	8	20
Service	37	56
Agriculture	0	0
Skilled	26	27
Semi-skilled	54	41
Unskilled	395	172
Total	522	317

The two professional primary job classifications exceeded the one placement made. However, placements in clerical and sales and service jobs were well in excess of primary job classifications. Jobs in these classifications were relatively plentiful. The relatively large number of placements in relation to primary job classifications in the "skilled" category was, no doubt, due in part to the training activity. This might also have been the case with the clerical and sales and service groups. The better than two-to-one proportion of "unskilled" primary job classifications to placements in this classification shows not only the general lack of qualifications above common labor but also that common labor jobs were relatively scarce. Even this demand for unskilled labor was often restricted to those with some ability to read.

The 317 placements were not made for 317 different individuals. How many were involved is not known. Placements were not easy nor were they the automatic results of referrals, as indicated by the large number of job development efforts.

Chapter 5: POST-LAYOFF EMPLOYMENT EXPERIENCE

Information Surveys

For the purpose of evaluating the Employment Service approach two surveys were made of the post-layoff experiences of the displaced Cudahy workers. The first was made in the early part of June, 1962, using the week ending June 9 as the reference week. Five hundred forty-four persons were contacted by mailed questionnaires and by interviews. The second survey was made six months later and covered fewer persons. The results from these surveys provide in part the statistical basis for the balance of this report.

Answers to questions were obtained on a less than one hundred percent basis. Furthermore, 36 women and 25 men of those who responded to the questionnaire had withdrawn from the labor force by the time the first survey was taken. The corresponding figures for the respondents to the second survey were 39 and 16. These were eliminated wherever possible in the following tables. The women who withdrew from the labor force were largely over forty-five years of age. The male withdrawals were largely under thirty-five. The information which is available seems to show that a number of these young men went back to school to complete their education.

At the time of the first survey 67.8 percent of the men and 60.6 percent of the women still in the labor force were employed. Six months later the figures were 67.4 percent for men and 57 percent for women. In other words, six months after the layoff a hard-core of unemployed were left. A major difficulty in placing these people was that they still hoped to return to the Cudahy company. No significant inroads on this group were made in the six-month period between the surveys in spite of continuous efforts to convince them of the reality of their separation from Cudahy. This does not mean that some of these had had no employment in the intervening period between the two surveys. A number were employed in construction during the summer; however, due to the late season in 1962 and the reserve of union labor available for work in this field, employment in construction at the time of the first survey was not available to any great extent. Construction was one field in which wages were more comparable to those at Cudahy and which these workers were more willing to accept.

Employment Experience as Measured by Employment Status at Time of Surveys

The incidence of unemployment as related to the various personal factors is noteworthy.

TABLE XIX

Employment Status as Related to Age Groups

(Number and Percent Employed)

	First Survey				Second Survey			
Age Group	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
Under 35 years	114	70.4	7	70.0	99	71.7	9	69.2
35 to 44 years	59	67.8	27	81.7	50	60.2	21	63.6
Over 45 years	36	61.0	29	58.0	35	67.3	20	47.6

After six months the under 35 year age group fared best for the men while the 35 to 44 year group fared best for the women. Those over 45 years of age were last. After one year the youngest group about held its own but the middle-age group had deteriorated very rapidly, whereas the oldest group of men had improved its position. But not so the older women. This seems to show that at least as far as men are concerned it may take a little more effort, for example, in the form of job development, to place those over forty-five but their age is not an insuperable barrier to successful placement. The unfavorable experience of the older women is evident but the causes are not. A major layoff in a baking plant employing many women during this period may have increased the demand for jobs available to this group to such an extent that the placement of these applicants might have been especially difficult.

Rather significant differences existed in employment experience of applicants classified on the basis of marital status.

TABLE XX

Employment Status as Related to Marital Status
(Number and Percent Employed)

	First Survey				Second Survey			
Marital Status	**Men**		**Women**		**Men**		**Women**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Married	165	71.1	45	68.2	145	70.4	32	49.2
Single	25	62.5	1	33.3	21	62.2	1	50.0
Divorced, separated Widowed	15	46.9	17	62.5[1]	13	50.0	17	81.0

It is very evident that married men fared much better than either single or divorced, separated and widowed men. The low employment of married women, especially at the time of the second survey, is probably related to the fact that many of these women were, no doubt, supplementary breadwinners and consequently were not pressed to go to work. In contrast to this experience is that of the third group — widowed, divorced and/or separated. The men in this group experienced only a 46.9 and 50.0 percent employment whereas the women had a 62.5 and 81 percent employment record. Statistics are available from the first survey on divorced persons, men and women. Eighty-three and three-tenths percent of the divorced women were employed in June, 1962. This class was grouped with those who were separated and widowed in the second survey. It was also found from the first survey that only 14.3 percent of the divorced men owned their homes but that 59.4 percent of divorced women owned their homes. Furthermore, only 37.2 percent of the divorced men but 54.2 percent of the divorced women had dependents.

The conclusion seems to be that married men and widowed, divorced or separated women are the most likely to be re-employed. Their home and family responsibilities seem to have induced an attitude which enhanced their chances of being employed. Furthermore, those with dependents, as indicated in the second survey, had a much better employment record than those without dependents. Approximately 55 percent of the men without dependents were employed after one year, whereas 71 percent of the men with dependents were employed. (Table not shown).

[1] Divorced category = 83.3 percent.

The fact of the home ownership status of the men seems to have been important. The supplementary nature of the employment of married women prevents the development of a significant pattern.

TABLE XXI

Employment Status Compared with Home Ownership Status of Men

(Number and Percent Employed)

	First Survey		Second Survey	
	Number	Percent	Number	Percent
Own home	70	75.3	65	72.2
Rent home	63	78.7	52	69.3
Rent apartment	65	58.6	55	64.0
Live with parents	7	36.8	6	37.5

Those who either owned their homes or rented homes had a very much better experience than did the rest. Particularly outstanding, in a negative way, was the low employment of those who lived with their parents. Complete data are not available for comparing home ownership status with percentage of time worked but the figures with regard to those who owned and those who rented homes show that during the full year following the layoff the men who owned homes had worked more than those who rented. Sixty percent owning homes had worked at least 50 percent of the time whereas only 40 percent of the renters had worked the same amount of time.

Education seems to have been an important factor in post-layoff employment experience. As stated before, considerable doubt exists with regard to the accuracy of the professed level of formal education. However, if we eliminate some of the minor breakdowns of classifications, the inaccuracies seem to be mitigated to some extent.

TABLE XXII

Employment Status by Education

(Number and Percent Employed)

	First Survey				Second Survey			
	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
8th grade or less	82	61.2	18	54.5	72	64.3	13	50
Some High School	66	62.9	29	47.6	60	63.1	19	47.5
High School Grad and above	61	88.4	16	76.2	52	78.8	18	81.8

Education as an employment factor does not seem to exert its influence until a full high school level is achieved. In fact, in the first survey in which a more complete breakdown of the data was made, the high school graduate had by far the best experience—even better than those who reported some college attendance. This was particularly true of the men. This emphasizes the importance of the high school dropout problem. Furthermore, evidence supports the assertion that lack of education was a contributing factor making the employment of the hard-core of unemployed especially difficult.

A rather significant aspect comes to light when we compare employment experience with the number of jobs held during the period between the layoff and the two surveys.

TABLE XXIII

Employment Status Compared with Number of Different Jobs Held
(Number and Percent Employed)

	First Survey				Second Survey			
	Men		Women		Men		Women	
Number of Jobs Held	No.	%	No.	%	No.	%	No.	%
1	28	82.4	23	71.9	21	80.8	16	59.3
2	96	71.6	26	66.7	83	70.4	19	50.0
3 (or more)	84	60.0	14	63.6	79	61.7	15	65.2

Both surveys showed that the larger the number of jobs held by the men during the periods between the layoff and the two surveys the less likely that the individual was employed at the time of the two surveys. The corroboration of this relationship without a single classification exception from the rule is noteworthy. The first survey data pertaining to women also show this tendency, but not as strongly as that of the men. The second survey data on the women are very mixed. This departure from the pattern set by the men may be due to the smaller number of women involved and to the secondary wage earning nature of the employment of the Cudahy women workers.

Cross-Relationships of Worker Characteristics

The available data do not identify those persons who had held a number of jobs during the interim by age, education, marital status or by any other identifiable characteristic. We are able to ascertain, however, how these people got their jobs—whether through the Project or through some other source.

TABLE XXIV

Number of Different Jobs Held — By Source of Job: Employment Service
(Number and Percent Employed)

	First Survey				Second Survey			
	Men		Women		Men		Women	
Number of Jobs Held	No.	%	No.	%	No.	%	No.	%
1	6	23.1	2	10.5	3	15.8	2	13.3
2	30	47.7	9	42.9	23	29.2	6	31.6
3 (or more)	29	35.8	2	15.3	25	33.8	4	26.7

A word of caution may be in order. Workers are believed to have a predilection for ascribing their own efforts in obtaining a job rather than some other source. However, it is difficult to justify the assumption that those who had held two or more jobs would have been less inclined to ascribe their obtaining jobs to their own efforts than those who were still on their first job. Thus, the data must be considered of some consequence.

The above table lends itself to some interesting and seemingly significant observations. At the time of the first survey, after approximately six months, almost half of the men and over two-fifths of the women who were on their second job were placed on the job which they held at that time through efforts of the Project staff. The corresponding figures for those on their third (or more) job were approximately 36 and 15 percent. In contrast to these figures only 23 percent of the men and 10.5 percent of the women who were on their first job were placed by the Project staff. At the time of the second survey, after a whole year had elapsed since the layoff, the Project still was almost twice as effective in placing those men on their second job and over twice as effective for those men on their third job as it was for those who still were on their first job. The situation for the women was similar to that for the men.

This concentration of placement by the Project staff of the "repeaters" merits a closer examination. A number of explanations present themselves. One is that the Employment Service is more likely to deal with the "repeaters". The Unemployment Compensation function of the Service may help to influence their availability for placement through the Employment Service. Another possibility is that an individual who has searched out his own job is representative of a group which tends to be more highly motivated and does not seek help in securing employment. A further possibility might be that the jobs obtained through the Service were of a short-term or temporary nature. This would have been indicated on the orders used by the Project which, with but a very few exceptions was not the case. The conclusion is that it is to be expected that those who need assistance to become re-employed most often will by virtue of the Unemployment Insurance function be more often placed by the Service than those who do not have this frequent contact.

An examination of the data shows no significant relationship between source of jobs and age, education, and marital status. Ownership of means of transportation, however, seems to be quite important.

TABLE XXV

Own Car or Truck — Source of Job: Employment Service
(Number and Percent Employed)

	First Survey				Second Survey			
	Men		Women		Men		Women	
Own Car or Truck	No.	%	No.	%	No.	%	No.	%
Yes	47	35.6	11	35.5	42	35.6	9	33.3
No	15	27.3	2	11.1	8	17.7	3	16.7

The expansion of employment in new and expanded plants in the outlying areas of Omaha, away from public transportation, during the year explains this dependence upon private transportation by those directed to these jobs by the Employment Service.

On an overall basis the Employment Service was the source of job for 30.7 percent of those who were employed after six months and for 27.2 percent after twelve months. The breakdown on basis of sex was as follows:

TABLE XXVI

Employment through the Employment Service
(Number and Percent Employed)

First Survey				Second Survey			
Men		Women		Men		Women	
No.	%	No.	%	No.	%	No.	%
65	32.5	13	24.1	51	27.9	12	24.5

The Project was relatively more successful in placing men than women. More men had found jobs by means other than the Employment Service after one year than after six months. This was not true of the women. However, the concern is not how a large number of the displaced workers found jobs but that a considerable number found little or no employment by any means.

TABLE XXVII

Employment Status Summary
(By Number and Percent)

	Number			Percent		
	Men	Women	Combined	Men	Women	Combined
First Survey						
Employed	209	63	272	67.9	67.7	67.8
Unemployed	99	30	129	32.1	32.3	32.2
Second Survey						
Employed	191	50	241	68.4	56.8	65.7
Unemployed	88	38	126	31.6	43.2	34.3

Very little change had taken place in the proportion of men employed after the second six-month period. The position of women had deteriorated considerably. On an overall basis the proportion employed had fallen slightly, from 67.8 to 65.7 percent.

Experience as Measured by Percentage of Time Worked

The foregoing data are based on whether or not the individuals were employed during a specific "reference week". Another way of evaluating employment experience is by the proportion of time worked in the intervening periods. It is not possible from the available data to determine the extent of employment to a high degree of accuracy. Certain interpolations must be made to present an overall average or median. Depending upon the sample used from the various tables available, after six months the men had worked approximately 36 to 39 percent of the time .The women had worked about 45 percent of the time. After a whole year the men had worked approximately 48 percent of the time but the women only 39 percent. The men were much more successful in finding work during the second six-month period than the women were.

TABLE XXVIII

Percentage of Time Worked During the Year as Related to Age Groups
(In Percentage of Total in Each Age Group by Sex)

	01-25		26-50		51-75		76-100	
Ages	Men	Women	Men	Women	Men	Women	Men	Women
Under 35	43.1	55.6	16.9	11.1	16.2	22.2	23.8	11.1
35 - 44	41.5	20.8	29.2	37.5	13.8	12.5	15.4	29.2
Over 45	38.5	30.8	33.3	15.4	12.8	26.9	15.4	26.9

A closer examination shows a concentration of all age group in the 1-25 percent category. This is especially true of the youngest group. On the other hand, the youngest group of men also had the highest concentration at the top of the bracket. An approximate mean for each group can be calculated by multiplying the midpoint of each percentage class by the respective percentage figures. On this basis, making the same calculations for the data of both surveys we get the following picture for the male members of the group.

TABLE XXIX

Percentage of Time Worked by Age Groups (Men Only)

	Under 35		35-44		45 and over	
	No.	%	No.	%	No.	%
First Survey	130	41.0	65	38.7	39	39.3
Second Survey	107	51.0	80	46.0	45	48.7

In both surveys the oldest group of men ranked second, but ahead of the middle group. With regard to the women, the oldest group fared best by a clear margin for the first six months but the youngest group had the best record for the full year.

TABLE XXX

Percentage of Time Worked as Related to Marital Status

	Married				Other			
	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
First Survey	179	42.2	43	46.7	51	36.0	12	51.4
Second Survey	186	52.2	51	44.4	59	39.7	22	46.0

Here again we see that married men fared better than single men but that the non-married women, weighted heavily with women as the head of homes, had a better record than the married women. The latter, no doubt, to a large extent were supplementary breadwinners.

Information on the effect of home ownership on percentage of time worked is too sketchy to be significant. However, the relation of education to time worked seems to be of value in the case of men.

TABLE XXXI

Percentage of Time Worked as Related to Education
(Men Only)

Education	First Survey		Second Survey	
	No.	%	No.	%
8th grade or less	84	41.0	104	44.2
Some high school	78	42.5	79	44.4
High School and more	61	40.4	65	58.1

The significant figure in this table is the 58.1 percent of time worked by those with at least a high school education. Figures on the percentage of time worked by women are quite significant after one year. For the three levels of education these are 44.3, 46.1 and 56.5 percent, respectively. Those with a minimum of high school had a considerably better experience than those with less education. (Data are taken from tables that are not shown).

The ownership of means of transportation seems to have influenced the proportion of time worked by men, particularly during the first six months after layoff. Those who owned a car or truck worked on an average of about 50 percent of the time while those who did not have a car or truck worked only about 32 percent of the time. After a whole year these figures were 50 and 46 percent.

Statistics on the relationship of percentage of time worked and the source of job (whether through the Employment Service or some other means) are not available. We have, however, a tabulation of the benefits collected (by weeks) correlated with the source of job. Again the evidence suggests that the Project organization handled the more difficult cases as far as the men were concerned.

TABLE XXXII

First Year Benefits Collected as Related to Source of Job
(In Percentage of Total of Source)

	Men				Women			
	Employment Service		Other		Employment Service		Other	
	No.	%	No.	%	No.	%	No.	%
None	10	15.4	36	26.7	4	30.8	14	34.1
1 - 5 weeks	10	15.4	22	16.3	2	15.4	7	17.1
6 - 10 weeks	9	13.8	19	14.1	1	7.7	7	17.1
11 - 15 weeks	18	27.6	22	16.3	4	30.8	6	14.6
16 - 20 weeks	11	16.9	18	13.3	2	15.4	4	9.8
21 or more	7	10.8	18	13.3	0	0	3	7.3
Total	65	99.9	135	100.0	13	100.1	41	100.0

Generally speaking, those employed through the Employment Service drew Unemployment Compensation for longer periods than those who were employed through other means, probably through their own initiative. Although the sample on the employment of women in the above table is rather small it still bears out the general trend. A similar table as the above taken from the second survey reveals a comparable relationship for the men in that group. In this case 74.5 percent of those who obtained their jobs through the Employment Service drew in excess of five weeks of compensation whereas only 54.5 percent of those who indicated that they obtained their jobs through "other" means drew more than five weeks of compensation. The large proportions in the "none" group for both men and women who obtained their jobs from "other" sources seem to corroborate the contention that the most employable of the laid-off persons never came into contact with the Employment Service and hence never entered into the statistical universe of the first part of this report. These probably were employed during the period in which they were not eligible for Unemployment Compensation due to the severance pay received.

Summary

It is quite evident that a number of factors (worker characteristics) influenced the employment experience following the layoff. The importance of age on the employability of people is by no means as simple as popular opinion would have it be. The elderly man seems to have many advantages which are often overlooked. Even though an employer will specify a low age limitation on his order, experience has shown that he can often be persuaded that this restriction is largely artificial and not necessary. Taking age as an isolated factor, the older woman applicant seems to be at a disadvantage but other factors, no doubt, have a bearing on this situation.

Characteristics, such as home ownership status, the number of dependents of the workers, and marital status seem to have influenced the work experience of this group. Whether we measure this experience by employment status at a point of time, or by the proportion of time worked, or by compensation payments received over a period of time does not seem to make much difference. To at least some degree, these data point to the fact that the attitude of the unemployed worker is a very important employment factor. Certainly the practice of changing jobs frequently is, at least in part, a result of the attitude of the worker.

Education stands out as an important employment determinant. Two problem areas are evident. One is the functionally illiterate and the other the high school dropout.

Finally, it is quite evident that the Project staff, in this case, was dealing to a large extent with the less employable segment of the people laid off by the Cudahy company at this time.

What makes an applicant "employable" is often a matter of attitude or willingness to accept employment as well as his qualifications for a particular Job. Various incidents illustrate the workers' persistent attitudes of attachment to their former employer and a reluctance to accept jobs at lower pay. For example, one man with good skill as a machinist, acquired in Europe, was enrolled in a refresher course when the Project staff was able to find an employer who hired him before completing the course. After six months at this job the worker was recalled by Cudahy, worked briefly, and was again laid off. Another man dropped the course in which he was enrolled to return to Cudahy for temporary work. One of the women, most insistent on IBM key punch training, was given this course, referred on a job development effort for an interview but failed to return for a subsequent typing test arranged by the employer. Later, she enrolled in the first MDTA clerical course and dropped out to accept another temporary job. One applicant, who was approved for a diesel mechanic training program in another state at his request, changed his mind after arrangements had been made so he could accept vacation replacement work at Cudahy. Another applicant, a memberof a minority group, was hired by an employer who previously had not hired minority group workers. Starting pay was $1.75 per hour. One week after he had received his first wage increase he quit to accept temporary employment at Cudahy.

The above cases were by no means exceptions to the rule. An examination of a large number of case histories substantiates the conclusions drawn from the available statistical data.

Chapter 6: EMPLOYMENT SERVICE ACTIVITY APPRAISAL

Turning now to a closer examination of the part that the Employment Service played in this program we address ourselves to the most difficult phase of this report. Wherever statistical evidence can be used this will be done.

General Observations

It was during the Automation Project activities that a new concept of the Employment Service as a manpower center evolved at the national level. This concept of manpower policy permeated Employment Service local office operations. Instead of a labor exchange, the Employment Service was to assume broader responsibility for total manpower services to the community. This new role emphasized the need for a greater effort toward the national goal of fuller development and utilization of manpower resources.

The degree of community involvement was extraordinary. The increased contact with area employers and the improved rapport with these employers not only contributed to the degree of success in the employment of the Cudahy workers but, no doubt, resulted in an improved public image of the Service since that time. The endorsement of the Employment Service by the Mayor, the Chamber of Commerce and prominent citizens of the community must have given an entree to many employers that otherwise would not have been available. The coordination of the efforts of the welfare services of the city further helped to enlist the entire community in the project.

Another fact that characterized the work of the Employment Service was the close and continuous individual contact that was maintained with those applicants who had difficulty in finding suitable employment all through the period of the Project. This was true with those in training and in some cases with newly placed employees.

The close cooperation of the company and the union officials was significant. The role that each played in the flow of information to the Cudahy workers is indicated by the specific communication efforts that each made during this critical period.

On June 16, 1961 the president of the Cudahy company sent a letter, in excess of three single-spaced pages, to the Cudahy workers. This letter was an excellent explanation of the Cudahy position and of the facts concerning the impending layoff. In this letter the president sought to sell the remaining workers on the wisdom of the changes to be made and informed those who were to be laid off of their severance pay rights. It ended with an expression of gratitude for past contribution by the employees to the company.

Ten days later, on June 26, Local 60 held a meeting to explain the various aspects of the anticipated layoff. There is no evidence to the contrary — the union leadership seems to have made every possible effort to explain the company position to its membership.

During the month of July, 1961, the testing and counseling arrangements were worked out between the Employment Service, the union and company officials.

On August 4, 1961, the company posted a notice on the employee bulletin boards announcing the aptitude testing program. On the same day the union circulated a bulletin to all employees urging those employees who were to be laid off to take advantage of the testing program which was to be administered in the near future. Five days later, on August 9, the union issued a special bulletin stating the seniority cutoff dates and urging all those involved to register for the Employment Service tests at the plant employment office not later than August 11.

Two special union meetings were held on August 14 explaining the tests. The next day a letter was sent to all those on layoff status and those to be laid off explaining the testing program and the Cudahy Automation Training Fund arrangements. This was followed, in turn, by a special bulletin from the union handed to workers leaving the plant, and another announcement in the weekly issue of *Local Sixty Reports*. The company posted the testing schedules on the employee bulletin boards during this period in mid-August.

Thus, although the company posted notices on the employee bulletin boards and registered the workers in the plant employment office for the tests to be administered at the union offices, it was the union that attempted to sell the workers on the services of the Employment Service at this time as well as later in the fall. A quote from the November 29, 1961 *Local Sixty Reports* illustrates the point:

> There are a lot of people working on the problem — the Union, the Company, the Mayor of Omaha, the Nebraska Division of Employment and even the Federal Government....
>
> The big thing to remember is that none of these people can help you unless you ask for it. Go to the Division of Employment office and register.....

Testing - Counseling - Referrals - Placements

The first contact of the Employment Service with the displaced workers was in the group meetings. In spite of the encouragement of the union not all showed up for the tests. Many of those who came to be tested considered it sort of a lark. These people had experienced layoffs of a temporary nature in the past, and it was difficult for them to consider the existing case as anything different. Therefore, in these instances the test results were quite invalid. Retesting of persons on an individual basis proved this to be true. The GATB[1] was used in the group testing sessions, later the Kuder Preference Record was completed and still later the SATB[2] was used to determine qualifications for specific job openings. Some who were not tested in the group sessions were tested later at the offices of the Employment Service. It was estimated that the GATB test would be administered to 745 persons; a total of 562 GATB tests were administered. Administration of 264 Kuder Preference Records was anticipated, 113 were given. The latter were not administered in the group testing sessions.

As noted earlier the group tests were administered in August, 1961. By December 15 of that year, 481 workers had taken the GATB test and six had completed the Kuder Preference Record. The SATB was not used until approximately February 1, 1962. It must be assumed that some of those who were group-tested in August were not included in our universe. This would include those whose layoff was anticipated in the early period but who were never laid off or were later recalled.

Table XXXIII is a partial statistical summary of the Employment Service activities in behalf of the Cudahy workers from August, 1961 to November 15, 1962. The information is taken from the monthly reports begining as of December 15, 1961.

[1] A general aptitude test battery which measures basic aptitudes for specific occupations grouped into different fields of work.

[2] A specific aptitude test battery which measures basic aptitudes for a particular occupation.

TABLE XXXIII

Partial Summary of Employment Service Activities, August 1961 - November 1962

(All Data are Cumulative, Except as Indicated)

	Forecast 1961	1961		1962										
	12/15	12/15	12/31	1/15	2/15	3/15	4/13	5/11	6/15	7/13	8/14	9/11	10/15	11/15
GATB Testing[1]	745	481	490	501	517	532	540	550	553	555	560	561	561	562
SATB Testing[2]	0	0	0	0	6	12	13	15	15	17	19	19	20	20
Kuder Preference	264	6	45	56	72	88	96	106	109	111	111	112	112	113
Counseling: Initial	745	455	479	492	516	592	614	641	645	652	656	658	658	659
Subsequent	1862	114	147	214	307	369	428	531	628	692	803	818	823	831
Supplementary Information Sheet A	745	249	343	400	460	598	672	693	695	697	702	704	705	705
Sheet B	1069	25	31	39	50	50	50	50	50	777	805	805	805	805
Counseling Report Supplement	745	0	0	0	0	592	614	641	645	652	656	658	658	658
Worker Information Report Form	745	0	0	0	0	598	672	693	695	697	702	704	705	705
Referrals—Non-Agricultural		4	38	66	127	221	388	551	711	834	939	1030	1134	1160
Placements—Non-Agricultural		3	32	41	65	106	145	180	203	227	250	270	309	317
Subsequent Counseling[3]		114	33	67	93	62	59	103	97	64	111	15	5	8
Monthly Referrals[3]		4	34	28	61	94	167	163	160	123	105	91	104	26
Monthly Placements[3]		3	29	9	24	41	39	35	23	24	23	20	39	8
Ratio: Referrals to Placements[3]		1.3	1.2	3.1	2.5	2.3	4.3	4.7	6.9	5.1	4.6	4.6	2.9	3.2

[1] General Aptitude Test Battery
[2] Specific Aptitude Test Battery
[3] Not Cumulative

Approximately 57 percent of the men and 67 percent of the women in our universe were tested. After this contact with the Employment Service (for some it was the initial contact) 96 percent of the men and 95 percent of the women who were tested were subsequently counseled. (Table from which these data were taken is not shown.) For those who were tested the percentages counseled were only 62 percent for men and 50 percent for women. Testing, therefore, was an important contact with the Employment Service. Not only did it provide a better basis for counseling, but it also seemed to provide the opportunity to counsel the worker in order to increase the chances for future employment.

It is quite evident that a lack of education tended to discourage willingness to be tested. Tests were not administered to persons with less than sixth grade education. On the other hand, quite a number with the requisite education did not avail themselves of the opportunity.

TABLE XXXIV

Level of Education Compared with Tested

(Number and Percent)

	Yes				No			
	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
8th grade or less	65	39	28	59	101	61	19	41
Some high school	84	66	34	65	43	34	18	35
High school or above	67	78	26	81	19	22	6	19

The effect of the lack of education upon the number of patterns established is again quite significant. The following table covers only those actually tested.

TABLE XXXV

Level of Education Compared with Test Patterns Obtained

(Number and Percentage of Total Tested)

	None				1-5 Patterns*				6-10 Patterns*				11-23 Patterns*			
	Men		Women		Men		Women		Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
8th or less	49	75.4	12	42.9	12	18.5	8	28.6	3	4.5	4	14.3	1	1.5	4	14.3
Some high school	33	35.1	7	21.2	25	26.6	9	27.3	28	29.8	6	18.3	8	8.5	12	36.4
High school and above	14	21.2	5	19.2	27	40.9	8	30.8	11	16.7	6	23.1	14	21.2	7	26.9

*A pattern is a profile of test scores which reveal aptitudes common to the successful performance of similar jobs.

Seventy-five percent of the men and almost 43 percent of the women who reported an education of eighth grade or less made no patterns at all. Only six percent of the men but 28 percent of the women made in excess of five patterns. Although considerable improvement is indicated for those having some high school education, the figures for those with at least a high school education show up the best. (One exception is in the 11-23 patterns for women. The smallness of the sample reduced the significance of this deviation from the rule). The fact that approximately one out of five of those with high school or higher education did not establish any patterns was probably due to the negative attitude that many of the workers had at the early group testing sessions and probably, to a smaller degree, to an overstatement of the education attained by the applicants. Generally speaking two things were evident: education was an important factor in the administration and use of the GATB, and women seemed to be able to use and retain what education they had received to a better advantage than men.

The summary table of the activities of the Employment Service shows that 659 of the 745 anticipated received employment counseling. This is almost one hundred more than were given the GATB test. Another 831 subsequent employment counseling sessions were conducted. In addition to these, many counseling sessions were held in connection with such matters as training, attitudes toward job opportunities, how to apply for a job and personal matters which were hindrances in the employment of the individual but were not recorded as subsequent counseling.

People with dependents were more likely to seek counsel than those without dependents. Women sought such counsel more frequently than men. The higher the level of education attained the more likely that the person would have been counseled. Among the men with eighth grade education or less 74 percent were counseled; those with some high school, 86 percent; and those with high school or above, 88 percent were counseled. The figures with regard to women, although not as consistent, show a similar pattern. (Table not shown).

TABLE XXXVI

Counseled Compared with Number of Times Referred

(Number and Percent)

	No Referrals				1 - 5 Referrals				6 or more			
	Men		Women		Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Counseled	60	20	47	46	181	60	45	45	61	20	9	9
Not Counseled	36	55	18	78	20	31	4	18	9	14	1	4

The relationship of counseling to referrals is shown by the table above. Fifty-five and 78 percent, respectively, of the men and women who had not been counseled had not been referred to an employer for a job. The corresponding figures for those who had been counseled were 20 and 46 percent. The relationships between testing and referrals corroborate this conclusion, however, not to as high a degree.

TABLE XXXVII

Tested Compared with Number of Times Referred (Number and Percent)

	No Referrals				1 - 5 Referrals				6 or more Referrals			
	Men		Women		Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Tested	48	22.6	36	41.4	116	54.7	41	47.1	48	22.6	10	11.5
Not Tested	50	31.8	30	78.9	85	54.1	8	21.1	22	14.0	0	0

Twenty-two percent of the men who had been tested were not referred but 31 percent of those not tested were not referred. The corresponding figures for women were 41 and 79 percent. The differences are evident again at the top of the scale — those who were referred six times or more.

The ultimate objective toward which all the worker activity is directed is the employment of the applicant. This becomes statistically evident as we examine again our summary table. Furthermore, over the period of the year covered by this study it is evident that placements became more difficult, at least until the middle of the summer. For the period as a whole, 1,160 referrals resulted in 317 placements.[1] The ratio of referrals to placements on a month-to-month basis increased quite steadily until July when the first drop occurred. The school vacation effect may explain the sharp increase in the June 15 report and the decline in the October 15 report. The overall trend, however, is up. It is interesting to note that concurrent with the ever-increasing frequency of referrals was a large number of repeat counseling sessions reaching a total of 111 during the month preceding August 14. Not included in these subsequent counseling sessions was the extensive amount of counseling on personal appearance, job application techniques and attitude by Project staff. Only 23 persons were placed during the same period of one month out of a total of 105 referrals.

A check of those in our universe who were placed on jobs against the question of whether or not the persons were tested shows that of those who were tested a larger proportion was placed in jobs than those who were not tested.

TABLE XXXVIII

Tested Compared with Number of Times Hired (Number and Percent)

	None				Once				Twice or Oftener			
	Men		Women		Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Tested	115	55	58	68	65	31	16	19	28	14	11	13
Not Tested	104	67	37	97	35	23	1	3	15	10	0	0

---

[1] It is quite possible that the Employment Service did not have a record of every placement toward which a contribution was made. Therefore, placements may be somewhat understated.

The men who were tested had a 45 to 33 advantage to get at least one job through the Employment Service over those who were not tested. Only three percent (1 of 38) of the non-tested women were placed, whereas 32 percent of the tested ones were placed.

A rather close relationship is indicated also for those who were counseled and consequently hired.

TABLE XXXIX

Counseled Compared with Number of Times Hired (Number and Percent)

	None				Once				Twice or Oftener			
	Men		Women		Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Counseled	168	57	73	74	90	30	16	16	38	13	10	10
Not Counseled	49	77	21	91	10	15	1	4^{+}	5	8	1	4^{+}

By combining the one and two or more placements we see that 43 percent of the counseled male employees were placed and 26 percent of the counseled female employees were placed. The corresponding figures for non-counseled men and women, respectively, were 23 and nine percent. On an overall basis, workers who were counseled had a two-to-one chance (39 percent compared with 19.5 percent) of being placed at least once by the Employment Service over those not counseled.

Another aspect of the placement process which, however, did not apply to all the workers directly, was the training activity and the part that the Project staff had in the overall administration of the program. The opportunity to train was offered to all of the displaced workers. However, many who were interested in training and who would have benefited by training were not in a financial position to take advantage of the opportunity. The Cudahy Automation Training Fund could be used only for the actual costs of the training, for example, tuition and supplies. Furthermore, the Nebraska law provided that workers must be actually available for work to be eligible for Unemployment Compensation. Fortunately, the Nebraska State Legislature had amended the Nebraska Unemployment Insurance law during the preceding legislative session so as to allow Unemployment Insurance benefits while "in attendance for vocational training or retraining under a plan approved by the commission". This regulation was adopted August 24, 1961 and effective October 9, 1961.[1] In spite of this liberalization of the law the lack of finances was a deterrent to the training of the workers. Allowances as provided by the Manpower Development Training Act passed March 15, 1962 were not available in Nebraska until late 1962.

Only 184 of those who indicated an interest in training actually requested training. One hundred seventy-three of the 184 were referred to and approved by the Cudahy Automation Fund Committee. Only 11 were eliminated by the Project staff. The relationship of education to "referred to training" was, therefore, more the result of the workers eliminating themselves from consideration than being eliminated by the Project staff.

---

[1] Nebraska Employment Security Law With Rules and Regulations of the Division as amended 1961, Benefit Regulation No. 22, p. 119, and Employers Information Manual 1961, p. 19.

The influence of education on the election of training is shown by the following table.

TABLE XL

Level of Education Compared with Referred for Training
(Number and Percent)

	Referred				Not Referred			
	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
8th grade or less	6	4.2	1	2.6	137	95.8	37	97.4
Some high school	20	17.1	15	33.3	97	82.9	30	66.7
High school and over	16	20.5	13	44.8	63	79.5	16	55.2

Very few, either men or women, with an eighth-grade education or less were referred for occupational training. Seventeen percent of the men and 33.3 percent of the women with some high school education were referred. Twenty percent of the men and almost 45 percent of the women with a minimum of high school education were so referred. Education evidently was an important factor in the decision by the worker and the Project staff to refer an applicant for training.

Similarly, if the worker had received previous training, such as apprenticeship training, he had a two-to-one chance of being referred to training over the worker who had not had such previous experience. (Table is not shown).

While the displaced worker was being processed his potential was being evaluated and whether or not the worker was recommended for training seemed to be an indication of his potential.

TABLE XLI

Number of Times Hired Compared with Recommended for Training
(Number and Percent)

	Recommended for Training				Not Recommended			
	Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%
Hired at least once	79	50.6	20	39.2	54	30.0	8	12.9
Not at all	77	49.4	31	61.8	126	70.0	54	87.1

Over half of the men who requested the opportunity to train and were recommended for training (whether they entered training or not) were hired at least once, whereas only 30 percent of those who did not request training were hired. The experience of the women is similar but a smaller proportion were hired in both cases. Thus, the recommendation for training which came as a result, in part, of the individual's interest in training seems to have been a criterion of the future employment success of the applicant.

It is doubtful that there is any "norm" with regard to the proportion of workers that the Employment Service should actually place on a job. If the Employment Service is to serve as a "manpower center" it probably will mean that the Service will participate at least in some respect in a large proportion of the community's placement activities. The following Table XLII breaks down the sources of information leading to jobs in the Cudahy and Armour studies.

TABLE XLII

Sources of Information Leading to Jobs in the Cudahy and Armour Studies, in Percent

	Cudahy		**Armour Studies**				
Source of Information	**7 Mos.**	**1 Yr.**	**Columbus**	**Okla. City**	**Fargo**	**E. St. Louis**	**Ft. Worth**
State Employment Service	30.7	28.4	4.0	4.0	9.0	3.0	3.4
Friends and Relatives	13.0	13.1	27.0	33.0	31.0	53.0	57.3
Direct Application	21.7	23.4	32.0	40.0	35.0	22.0	24.7
Company or Union	5.9	7.7	12.0	3.0	7.0	7.0	8.9
Worked there before	24.8	22.1	0	0	0	0	0
Newspaper	1.6	3.6	0	0	0	0	4.5
Other	2.3	1.7	15.0	20.0	18.0	15.0	1.2

Sources: Cudahy data are from Project research infomation. Fort Worth data are from Shultz, George P. and Weber, Arnold R, A Report to the *Automation Fund Committee,* Armour Automation Fund Committee, Chicago, November 7, 1963, p. 10. Other Armour data are from Wilcock, Richard C. and Franke, Walter H, *Unwanted Workers,* Free Press of Glencoe,1963, p. 129.

Although it is recognized that workers tend to overstate their own efforts "direct efforts" the big differences between the Cudahy figures and those of the Armour studies must be of some statistical significance. The Omaha Automation Demonstration Project staff placed over 28 percent during the full year after the layoff. The Employment Service varied from a low of three percent to a high of nine percent in the case of the five Armour studies. It would be wrong to assign the difference entirely to the superior organization and efforts of the Omaha Project. The economic conditions of the respective labor areas, no doubt, had a material bearing on the differences. However, it is the author's considered opinion that is was the exclusive concentration of a group of Employment Service people with the subsequent continuity of relationship of the Project staff with the displaced workers that accounts for a major share of the difference.

Chapter 7: FINDINGS AND SUMMARY

Adverse Factors

Although the Omaha Labor area was experiencing an unemployment rate well below that of the country as a whole at the time of the layoff, many adverse circumstances made the employment of the displaced workers very difficult. The uncertain status of the laid-off workers seemed to be the paramount deterrent to the re-employment of the displaced workers. The workers had experienced previous layoffs which had been temporary. The adjustments of the effective seniority dates for workers to be laid off and the frequent recall of workers for various reasons all contributed to a refusal to face the facts that this layoff was not temporary and that for a great majority of the workers there was not a chance that Cudahy would re-employ them. Another adverse factor was the difference in wage rates between those the workers were accustomed to at Cudahy and those of jobs available to them after the layoff. Employers, knowing the attachment that these workers had to their former employer, were reluctant to hire them lest they quit and return to Cudahy when recalled.

Project Staff Efforts

The organization of the Project in the early stages of the layoff and re-employment period of the Cudahy workers contributed greatly to its success. The assignment of Employment Service people exclusively to the Project elicited a sense of responsibility and commitment which otherwise could not have been the case to as high a degree. It also provided for a continuity of relationships between the Project staff and the displaced workers, which contributed to a thorough understanding of the many problems and of the workers involved. The relaxation of the time budget methods of measuring employment activity made possible the in-depth counseling for which the continuity of relationships was so necessary.

It was through the efforts of the Project personnel that the United Community Services were drawn into the overall community effort. This coordination of the Community Services information and activities minimized the competitive duplication of efforts and conflicting purposes and activities. It made possible for the Project to serve as a clearing house for all information concerning the workers' status, needs, qualifications and job possibilities.

Job development activities produced job opportunities, and the personal interest of the Project personnel exposed latent skills which then, in turn, resulted in successful placement which never would have been attained without either of these two approaches: job development and in-depth counseling.

The organization of the Project facilitated the operation of the Cudahy Automation Fund Committee, the involvement of the many training facilities including the Omaha Public Schools, and the coordination of the efforts of these institutions in the training of workers for productive work.

Worker Attitudes

The unwillingness of the displaced workers to face reality, discussed before, was particularly evident during the early part of the period. Attempts to find jobs were at best only half-hearted on the part of many. Referrals were refused, there were failures to report for employment interviews even after ostensibly accepting referrals, tests were purposely not passed and jobs were refused.

Time Lags

The re-empoyment of a relatively large group of workers who suddenly are added to an existing unemployed group, of necessity, will consume a considerable period of time. Not only does it take time for a community to absorb these extra job seekers but the process itself is time-consuming. The difficulty of placement tends to become greater as time goes by. More referrals per placement are necessary.

It should be remembered, however, that the general health of the Omaha area economy was good, that new industries were entering the area, that some existing operations were being expanded, and that the unemployment rate of the area was well below that of the country as a whole. On the other hand, this favorable condition was somewhat attenuated by the adverse timing of the layoff. It took place at a time when construction, as a case in point, was slowing down for the winter months.

Post-Layoff Experience

Probably aside from the attitude of the displaced worker, the most important single factor influencing the post-layoff employment experience of the worker was education. In spite of the probable inaccuracy of the reported information on education, it is obvious that a minimum of high school education was of major importance in the adjustment of the worker to a new work relationship.

Next to education, were the factors which indicated responsibilities such as heads of families, having dependents, and home ownership. These became important, most likely, as they had a bearing on the attitudes of the displaced worker. These factors seemed to bring about a greater willingness to accommodate to job conditions and pay which were less desirable than those of the former employer.

Minority Status

The specter of problems related to the minority status of the worker seems to lurk in the background. Although no statistics are available with regard to work experience as related to the minority status of the workers, it seems quite apparent from circumstantial evidence and from the impressions of the Project personnel that the minority status of the displaced workers (48 percent of the men and 17 percent of the women were non-white) was a real issue in the constellation of factors which adversely affected the re-employment of these people. The lack of education in general, the lack of skills aside from those used in the Cudahy employment, the hesitancy of workers to accept other employment, and employers to hire Cudahy workers, seemed to be interwoven and inter-related to the minority problem.

Chapter 8: RECOMMENDATIONS

The work of the Project personnel, as well as that of other members of the Employment Service personnel in the Omaha offices, their dedication to their jobs, and the well-developed and coordinated procedures used in the placement of the displaced Cudahy workers present many examples worthy of emulation by other Employment Service workers in similar circumstances. Their experience and the results of their efforts point to a few areas where some improvements may be possible in future operations.

Orientation

Early and continuous contact seems to have been important in the placement of workers by the Employment Service. However, the initial contact between the Project personnel and the to-be-displaced workers was not very successful. This contact was the group testing of the workers. The administration of the tests might have been more successful had these sessions been preceded by some form of orientation contact for the purpose of explaining and "selling" the services of the Employment Service and the tests in particular. A personal contact showing a sincere interest in the welfare of the individual worker could have had only positive results.

Non-Verbal Test

In view of the fact that it is not advisable to administer the GATB test to the functionally illiterate, and that a considerable number of these workers were in this classification, a non-verbal test would have been very beneficial for uncovering employment potentials. The lack of education which may not have been a hindrance in the performance of a job may have been a hindrance for the effective operation of the hiring procedure. Because of this and similar experiences in other projects, non-verbal tests have been developed.

Closer Check on Information

There seems to have been a need for more accurate and objective statistical information as to the qualifications of applicants for placement purposes. Evidence has been presented to the effect that reported education was not a true measure of a person's ability to use the English language sufficiently well to fill out forms and questionnaires. The testimony of the Project workers also supports this conclusion. An attempt was made early in the period of the Project to ascertain the ability of workers to read and write on a minimal level by requiring the worker to fill out the first page of his interview schedule. Unfortunately, in the hurry and confusion of organizing the Project and in the rush of the work this did not receive the necessary follow-through. A very simple test of reading comprehension (used with discretion) requiring short and simple written answers might have been sufficient to separate the functionally illiterate from those who could successfully submit to a written test. Some who were not tested would, no doubt, have been tested and the results on those who were tested might have been more uniformly representative of the workers' potentials. Because so much of the placement procedure seems to have been linked to the education of the individual, a more objective means of determining this factor is in order.

An interesting phenomenon appeared with regard to "occupationally significant leisure activities". Available statistics show a positive relationship between these activities and placement by the Project.

Some placements by the Project seem to have been influenced by these "occupationally significant leisure activities". But these activities seem to have had no influence on the employment experience of the displaced workers as a whole as indicated by the percent of time actually employed or by the fact of being employed at the point of time of either the first or the second survey. It might be that the use of this information on the individual worker contributed significantly to the placement of workers by the Project, but that those who obtained employment through other means did not recognize this added informational aid, hence, the lack of statistical relationship between significant leisure activities and post-layoff employment experience. A further study and re-definition of significant activities might be in order.

Coordination of the Research Phase with the Employment Phase

The meaning and significance of statistical information is related very closely and intricately to the non-quantitative circumstances which pertained to the administration and the execution of the many procedural steps of the employment process. Thus, the attitudes and appearance of the displaced workers were not statistically evident but these had a great influence on the success of the Employment Service in placing the workers. The effectiveness of the counseling phase of the procedure is not reflected in the statistical data, and yet special emphasis was placed on this function in the present case.

There were a number of cases (how many we do not know) in which an employer gave job specifications which were not necessarily realistic. The Project personnel were able to "sell" a relaxation of these requirements and were thus able to successfully place persons who were not qualified for the job under the original job specifications. This was true particularly with regard to age and education. The effectiveness of this approach to the employer is not measurable at this time, but might have been had research coincided with the actual placement function.

It is therefore important that the research begin with the first phases of the entire process as a parallel but separate function. However, research should never interfere with the prime purpose of the Employment Service or the Project.

Clarification of Status of Displaced Workers

Although the status of the displaced workers (and the uncertainty of the same) is largely the result of the contractual relationship between the worker, or the bargaining agent, and the company, it might still be well to point out that a partial break in the employment relationship may be an important deterrent in the re-employment of laid-off workers.

Provision for Adequate Facilities and Personnel

The temporary nature of a special project, such as the present case, tends to discourage the allocation of adequate space, facilities and personnel (both technical and clerical) which is necessary for the attainment of the objectives set forth. A number of specific recommendations pertaining to this problem seem to be in order.

1. The type of interviewing and counseling required in this case calls for a higher degree of privacy and confidential transmission of information than can be attained in the available Project facilities. Private counseling booths would have added to the establishment of more effective counseling relationships.

2. Closely related is the matter of adequate equipment, furniture and furnishings. Adequate desks,

chairs and telephones, the latter probably on an individual basis, would have improved the image of the Employment Service and of the Employment Service personnel, in particular, in the minds of the applicant. Nevertheless, in spite of inadequate facilities, morale of the Project personnel remained extremely high.

3. The coordination of the function of a project such as this with that of the rest of the local office is, of course, necessary. However, if the project is to be used experimentally in any sense, a complete complement of personnel, including clerical staff, should be selected and trained for and assigned to the project for the duration of the project. In the present case, an occupational and a labor market analyst would have been beneficial.

4. Experience gained throughout the Project clearly demonstrated the critical need for careful project planning both in terms of program and research needs. In order to promote coordination among the various agencies and personnel involved, and hence insure the most efficient use of staff and resources, definite and clearly stated project objectives are requisites. These must allow specifically for continuous planning in the utilization of personnel throughout the life of the project. Similarly, the research objectives must be determined at the outset. Research scope and method must be defined well in advance of beginning in order that questionnaires can be designed and other data sources identified, so as to yield information suitable for specific research needs.

Greater Emphasis on Educational Needs

The importance of education was evident in both the adjustment in the new Cudahy operation and in the re-employment of the displaced workers. The technological changes at Cudahy did not result in extensive training requirements. In only one job, involving a new machine, was a two-week on-the-job training period necessary. Where on-the-job adjustment became an important factor was in the assembly department. Here the need was not for skills based on a new technology but for a simple ability to read and write in order to fill orders for all the products of the company. With the increased complexity of business and the greater reliance upon written or coded information, the need for literacy (and possibly a higher level of educational sophistication) is becoming of even greater importance.

This growing relevancy of education places emphasis on the need for adult education of a general nature. Not only is it important that the dropout problem be solved but also that the present victims of past educational failures be given aid. This is a national problem and is, no doubt a factor in many of the social problems of the country.

APPENDIX I

The twenty Automation Demonstration pilot projects financed and guided by the United States Employment Service and conducted by affiliated State Employment Services covered the following areas:

Baking (2)
Banking
Brewing
Broadcasting
Building Materials
Canning
Cigar Manufacturing
Construction
Dishwasher Machine Manufacturing
Electric Equipment Manufacturing
Hospital Technology
Insurance
Long Term Unemployed (2)
Meat Packing
Metal Manufacturing
Retail Merchandising
Telephone Communication
Truck Manufacturing

The following states participated: California, Colorado, Maryland, Michigan, Minnesota, Nebraska, New Jersey, Oklahoma, Pennsylvania, Utah, Wisconsin.

APPENDIX II

MASTER AGREEMENT Between The Cudahy Packing Company and the United Packinghouse Workers of America A.F.L.-C.I.O. 1959

Automation Clause

It is recognized that the meat packing industry is undergoing significant changes in methods of production, processing, marketing and distribution. These changes have affected and may be expected to continue to affect the number of employees required, the manner in which they perform their work and the skills and knowledge required. The problems created for employees affected by these changes require the joint consideration of the Company and the Union.

The Company agrees therefore to pay into a special fund an amount equal to one cent for each hundredweight of total edible tonnage shipped from slaughtering and meat packing plants covered by the Master Agreement. The Company's tonnage figures shall be final and binding upon the parties. Contributions shall terminate when the total of the Company's contributions paid into the fund has reached $130,000.

The fund shall be administered by a committee of five (5), composed of two (2) representatives designated by the Company and two (2) representatives designated by the Union and an impartial chairman selected by mutual agreement of the parties. Each party shall pay the expenses of its representatives, and the fees and expenses of the impartial chairman shall be paid out of the fund.

The committee shall have full power to utilize and apply the fund for any and all of the following:

(1) Study of the problems referred to above and preparations of recommendations for their solution.

(2) Establishment of, promotion of, or assistance to programs of training or retraining of employees in the skills required for new or changed jobs.

(3) Establishment of, promotion of, or assistance to programs of transfer of employees between plants covered by the Master Agreement, or any other programs designed to promote employment opportunities for employees affected by plant or department closings, technological or other changes.

No part of the fund shall be used to increase the severance pay benefits payable pursuant to the Master Agreement. Any findings or recommendations made by the Committee with respect to further action by the parties or either of them shall not be binding on the parties but shall be made to the parties for their consideration. The final report and recommendations of the Committee shall be submitted to the parties no later than six months prior to the termination date of the Master Agreement.

The parties will determine by mutual agreement:

(1) Whether the Company's contributions shall be made monthly or at other intervals, and

(2) the disposition to be made, when the committee has completed its work, of any balance then remaining in the fund.

APPENDIX III

THE CUDAHY PACKING COMPANY
5002 South 33rd Street
Omaha 7, Nebraska

Office of the President June 16, 1961

An Important Announcement to Cudahy Employees:

I would like to acquaint you in this letter with some of our thinking in connection with the Omaha operation.

I am sure you have known for some time, as management has, that our old plant in Omaha just had to go. Dating back to 1887, with additions tacked on through the years, it isn't a particularly pleasant place to work. From the standpoint of competing for the all-important sales that keep production rolling, the plant is inefficient, costly and outmoded. In this competitive age, we simply could not continue to operate this plant in Omaha and serve our market area. The future of all of us in Cudahy depends on our achieving and maintaining competitive unit costs.

I think these facts are confirmed by what has happened in the past several years during which we and others have been forced to close many old and inefficient plants throughout the country. I can assure you these were not easy decisions to make because they affected all who worked in those plants and had an impact on each of these communities.

The alternatives we faced in Omaha were: #1. We could close the Omaha packing house and build a new plant in one of the cities that offered us inducements to operate in its communities; or #2. We could close the plant and build a new one right here in Omaha. As you know, we chose the latter.

We have invested our money and our hopes in a new modern plant on our present site. We want to continue to live and to grow in Omaha so that we can make our contributions to its industrial progress, employment and community life. One of the key reasons for choosing to stay in Omaha was our desire to maintain jobs for as many as possible of our loyal workers, many of whose families have been associated with Cudahy for decades. Cudahy believes in Omaha and in the people who live here.

What does the new plant mean to Cudahy employees?

#1. Better working conditions, greater safety. You will enjoy all the benefits of a new and modern plant with everything from new equipment to convenient rest rooms, planned to make working easier, safer and more pleasant. For example, special floor construction in the cut and kill departments will minimize the number of accidents resulting from slipping. The plant layout, equipment and such things as lighting have all been designed to reduce employee fatigue and to make the jobs in the new plant easier.

#2. More job stability, fewer layoffs. The new plant will permit an efficiency of operation, which will mean the ups and downs of market conditions will have less effect on employment. There will be fewer layoffs and more job stability. We will be able to control production schedules so that the peaks and valleys of the past will be leveled off.

#3. Progress with a company on the move. Cudahy has big plans for future. With the improved production facilities, more competitive unit costs, better quality control and new products that we are planning, we should be able to compete successfully. We hope and expect that we will be able to increase our sales, our profits and our work force.

As we grow and expand and progress in Cudahy, in turn we will contribute more to the progress of our community in terms of payrolls, taxes, civic causes, and the livestock market.

Although two out of every three of our present employees will be retained, there will be some who will need to seek employment elsewhere. We sincerely regret this necessity, but in my new position as President of Cudahy, I want you to know the facts. Approximately 675 people presently working will be laid off when the move to the new plant is made and the old plant is closed. Each person who will be laid off will be notified as soon as possible so that new employment possibilities may be explored. Meanwhile, I can assure you that seniority will be given prime consideration in accordance with our union contract. Severance pay will be paid in accordance with the agreement reached with your union. An explanaation is attached hereto.

We have and will continue to work closely and cooperatively with union officials. Together, we will cooperate with the Department of Labor and all other interested public agencies in helping those whose jobs are terminated to find new jobs with the least possible delay. All union contract requirements will be carefully followed.

We are seeking to make arrangements so that severed employees can maintain their present insurance benefits for a limited time at their own expense if they desire to do so.

The new plant in Omaha is designed and built so that it can be efficiently operated on a two-shift basis. If we are able to accomplish the unit costs that we expect in this new plant so that we will be able to compete successfully in the territory served by Omaha, it should be possible in the not too distant future to at least operate some departments on a two-shift basis. If this is accomplished, we would, of course, have to add to our work force. With more liberal supplies of livestock in prospect, it is our hope that additions to the work force will be necessary relatively soon. Rehiring and recalls will be made on a seniority basis from the list of employees laid off.

Completion of the new plant in Omaha climaxes a six-year plan for modernization of the entire Cudahy Packing Company facilities. As you know, we have streamlined operations all through our company and have tried to concentrate our efforts and resources on activities that would be most beneficial to all of us who have a stake in the future of this company.

We are grateful for the contributions you have made to Cudahy in the past. Now we feel we are ready to move forward with new ideas, new ways to improve our products and our services, efficient plants and facilities, which all add up to new opportunities for growth and success.

Cordially yours,

(Signed)

Paul B. Thompson,
President

PBT: dr

ATTACHMENT TO EMPLOYEE LETTER DATED JUNE 16, 1961

Recognizing a unique situation in the change-over to the new plant in Omaha, your company and your union have agreed that when the individual employee shows a need for immediate payment of severance pay, this can be accomplished upon completion of an application that will be furnished.

Any such employees who apply for and are paid severance pay in advance of the normal two-year waiting period will be protected in seniority rights and accrued benefits except, in the event of re-employment, their future severance pay benefits will be computed as though they were new employees at the time of re-employment, unless at the time of re-employment they reinstate their previous severance pay rights by repaying the amount of severance pay benefits paid to them by the company.

Neither the company nor the union by this action is encouraging employees to apply for immediate payment of severance pay, but by agreement have provided a means to prevent undue financial hardship by waiving the two-year waiting period required by the contract.

A schedule of severance pay benefits based on years of service is as follows:

Years of Continuous Service	Weeks of Pay
1	1
2	1-½
3	2
4	2-½
5	3
6	3-½
7	4-½
8	5-½
9	6-½
10	7-½
11 and over	Add to 7-½ 1-½ weeks' pay for each year of continuous service above ten years

It has been further agreed by the company and the union that this exception of the generally accepted concept that the payment of severance pay terminates all seniority and accrued benefits, is not precedent setting, nor will it be considered as a basis for future negotiations.

APPENDIX IV

CITY OF OMAHA

Executive Office

James J. Dworak, Mayor

October 24, 1961

The City of Omaha is establishing a committee to coordinate between persons recently released from the Omaha packing houses and other industries due to "automation", and industries which need additional employees and are able to re-train persons to their requirements.

Mr. Russell Hand, Director of Employment for the State of Nebraska's Omaha Division, has suggested your name as one to serve on this small committee which will be composed of representatives from business, welfare, government and labor.

The first meeting of this committee will be held Monday, November 6, 10 a.m., in room 302, City Hall, Omaha, Nebraska. We hope you will accept and will look forward to your early reply as to whether you can attend this first meeting.

With good wishes.

Sincerely yours,

(Signed)

James J. Dworak
Mayor

APPENDIX V

LOCAL SIXTY REPORTS

Local 60 UPWA AFL CIO Omaha, Nebr. Nov. 29, 1961

This report is to tell you what is going on about the automation layoffs at Cudahy.

There are a lot of people working on the problem—The Union, the Company, the Mayor of Omaha, the Nebraska Division of Employment, and even the Federal Government. Secretary Goldberg has established in the Department of Labor an office of automation and manpower, which will devote its attention to this fundamental problem.

All of these people are working on two things—finding jobs for laid off workers, and planning training programs for those workers who can use some training.

For example: The Mayor has an Automation Committee that will survey almost every plant in Omaha to find jobs. The Division of Employment is locating jobs too, and is also giving tests and advice on how to get training, and what kind to get.

The big thing to remember is that none of these people can help you unless you ask for it. Go to the Division of Employment office and register. If you want some kind of training, ask them how it can be lined up.

There are over 600 members scheduled to be laid off. About 400 more have been laid off in the past and are still on their two-year seniority rights.

179 members have so far told the Division of Employment that they want training. Some of these are already laid off and drawing unemployment insurance. Some are still working but will be laid off in the next two months.

There is a considerable amount of money available to pay for training courses if you can qualify, but nobody can do anything unless they have a chance to talk over your problems with you. The Union is ready to help members in any way it can and the Division of Employment is supported by tax payers for just this kind of purpose.

Many members already laid off have not been in touch with the Division of Employment. They are being sent a letter and a questionnaire. Any member who gets one of those letters from the Division of Employment should answer it right away. This is important.

If you know any member who gets one of these letters, tell him to take care of it right away. We should all help each other and get this problem taken care of as fast as possible. If the list looks complicated, get someone to help you fill it out. Ask a friend, someone in your family, or somebody like your minister. But send the answers back right away as we want to act fast.

If you need help of any kind about a job, come to the Employment Service Office, 551 South 18th Street, Omaha, Nebraska. Also it is very important that you go to them and get your final counseling from them.

APPENDIX VI

UNITED COMMUNITY SERVICES
726 Kilpatrick Building   Omaha 2, Nebraska   Phone 342-8232

April 24, 1962

TO: Selected Social Agencies and Other Groups

FROM: Jean H. Lee and Barbara Johnson

RE: *Discussion Meeting, Monday, April 30, 1962 10:00 A. M. at North Christ Child Center.*

We are asking you to attend this meeting in order to work out plans with the Board of Education, The State Employment Service, and the Mayor's Committee on Reemployment of Workers laid off due due to Automation. All three of these organizations have found that some of the Cudahy workers have been delayed or prevented in obtaining retraining of jobs because of limited skills in reading and writing. We know that many of these workers are known to some agencies and believe that agencies can assist in helping the workers take maximum advantage of special classes in basic education which the Board of Education is willing to offer them.

Therefore, we would like to discuss with you, the Company, the Union, the Board of Education, and the Employment Service methods for motivating and supporting the workers as they consider these basic classes, which will probably be held at schools in the evening. In order to help you prepare for this meeting, we will send you a list of names and addresses of those workers known to be in greatest need of the classes. Could you check the list carefully to see how many of the families are known to you? In this way, we hope it will be possible to spend most of the meeting in actual planning for the classes, for recruiting the workers, and for interpreting to them the value of the classes in terms of their job goals.

If you cannot come on Monday, please send a member of your staff as we believe this is a most important project for agencies and all concerned. Thank you for your cooperation.

Social Agencies and Community Groups

Omaha Board of Education
Nebraska Department of Labor
United Packinghouse Workers
Cudahy Packing Company
Douglas County Assistance Bureau
Salvation Army
Omaha Urban League
Christ Child Society
Woodson Center
Omaha City Mission Society
Young Men's Christian Association
Young Women's Christian Assocation
Social Settlement Association

END
DEPT. OF HEALTH
EDUCATION AND
WELFARE
U.S. OFFICE OF
EDUCATION
ERIC
DATE FILMED
6-10-68